

REPORT / RECOMMENDATION



To: Members of Housing and Redevelopment Authority

Agenda Item #: HRA V.

From: John Wallin, Finance Director

Action ☒

Discussion ☐

Date: June 17, 2014

Information ☐

Subject: RESOLUTION NO. 2014-03 Awarding the Sale of \$16,360,000 Public Project Revenue Bonds, Series 2014

Action Requested:

Adopt Resolution No. 2014-03 Relating to Public Project Revenue Bonds, Series 2014 and Authorizing the Issuance, Awarding Sale, Prescribing the Form and Details and Providing for the Payment Thereof

Information / Background:

The \$16,360,000 Public Project Revenue Bonds, Series 2014 has two purposes: 1) \$12,445 million is for the construction of a Sports Dome, a new Braemar Outdoor Ice Rink and Braemar refrigeration system improvements and 2) \$3.2 million Pamela Park improvements to renovate fields, parking, trails and a reconstructed shelter building. Attached is the resolution authorizing the issuance of the Bonds and authorizing the execution of a ground lease and a lease agreement providing for the construction of the above projects and the lease thereof by the City as drafted by the City's bond counsel, Dorsey & Whitney. These agreements are similar to what has been done in the past with previous issues of Public Project Revenue Bonds including bonds to finance the building of Gymnasiums and a portion of the Public Works facility.

The award of sale of the Public Project Revenue Bonds is a Housing and Redevelopment Authority resolution and the authorization of the lease agreement is a City action.

The bids will be received and tabulated by the City's financial advisor, Ehlers & Associates, Inc. on Tuesday, June 17. The bids and Ehlers & Associates analysis will be presented to the City Council at the June 17 Council meeting.

ATTACHMENT:

Resolution 2014-03

Ground Lease Between City of Edina and HRA

Lease Agreement Between HRA and City of Edina

Indenture Between HRA and U.S. Bank National Association

CERTIFICATION OF MINUTES RELATING TO
PUBLIC PROJECT REVENUE BONDS
(CITY OF EDINA ANNUAL APPROPRIATION LEASE OBLIGATIONS)
SERIES 2014

Issuer: Edina Housing and Redevelopment Authority

Governing Body: Board of Commissioners

Kind, date, time and place of meeting: A regular meeting held on June 17, 2014, at 7:00 o'clock p.m., at the City Hall, Edina, Minnesota.

Members present:

Members absent:

Documents Attached:

Minutes of said meeting (including):

RESOLUTION NO. 2014-03

RESOLUTION RELATING TO PUBLIC PROJECT REVENUE
BONDS, SERIES 2014 (CITY OF EDINA ANNUAL
APPROPRIATION LEASE OBLIGATIONS); AUTHORIZING
THE ISSUANCE, AWARDED SALE, PRESCRIBING THE
FORM AND DETAILS AND PROVIDING FOR THE
PAYMENT THEREOF

I, the undersigned, being the duly qualified and acting recording officer of the public corporation issuing the Bonds referred to in the title of this certificate, certify that the documents attached hereto, as described above, have been carefully compared with the original records of said corporation in my legal custody, from which they have been transcribed; that said documents are a correct and complete transcript of the minutes of a meeting of the governing body of said corporation, and correct and complete copies of all resolutions and other actions taken and of all documents approved by the governing body at said meeting, so far as they relate to said Bonds; and that said meeting was duly held by the governing body at the time and place and was attended throughout by the members indicated above, pursuant to call and notice of such meeting given as required by law.

WITNESS my hand officially as such recording officer on June ___, 2014.

Secretary

Commissioner _____ introduced the following resolution and moved its adoption, which motion was seconded by Commissioner _____:

RESOLUTION NO. 2014-03

RESOLUTION RELATING TO PUBLIC PROJECT REVENUE BONDS, SERIES 2014 (CITY OF EDINA ANNUAL APPROPRIATION LEASE OBLIGATIONS); AUTHORIZING THE ISSUANCE, AWARDING SALE, PRESCRIBING THE FORM AND DETAILS AND PROVIDING FOR THE PAYMENT THEREOF

BE IT RESOLVED by the Board of Commissioners of the Edina Housing and Redevelopment Authority (the "Authority"), as follows:

Section 1. AUTHORIZATION AND SALE.

1.01. Authorization. The City of Edina, Minnesota (the "City") desires to provide adequate City Hall and public safety facilities and has determined that the most efficient way to do so is to lease-purchase the facilities pursuant to the authority granted by Minnesota Statutes, Section 471.65. Acting pursuant to the provisions of Minnesota Statutes, Section 469.012, subdivision 1(7), the Authority has the power to acquire real property, by lease or otherwise, and construct the proposed facilities for lease to the City. Pursuant to Minnesota Statutes, Section 469.033, and Chapter 475, the Authority further has the power to issue revenue bonds to provide the funds necessary for the acquisition, construction, remodeling, renovation and furnishing of the facilities. Pursuant to the foregoing authority, the Authority proposes to undertake the acquisition, construction and furnishing of additional recreational facilities of the City consisting of a sports dome, outdoor refrigerated ice rink and improvements to Braemar Arena and Pamela Park (herein the "Facilities") and to finance the cost thereof by the issuance of its Public Project Revenue Bonds, Series 2014 (City of Edina Annual Appropriation Lease Obligations) (the "Bonds") under this Resolution and a Trust Indenture, to be dated as of July 1, 2014 (the "Indenture"), between the City and U.S. Bank National Association, in St. Paul, Minnesota, as trustee (the "Trustee"). The Facilities will be located on land which will be ground leased by the City to the Authority pursuant to a Ground Lease, to be dated as of July 1, 2014 (the "Ground Lease"). The Authority proposes to lease the Facilities subject to the Ground Lease to the City pursuant to a Lease Agreement, to be dated as of July 1, 2014 (the "Lease"), between the Authority, as lessor, and the City, as lessee. All bonds issued under this Resolution and the Indenture will be secured solely by rental payments to be made by the City pursuant to the Lease, and funds held by the Trustee under the Indenture, and said bonds and the interest on said bonds shall be payable solely from the revenue pledged therefor under the Indenture and no such bonds shall constitute a debt of the Authority or the City within the meaning of any constitutional or statutory limitation nor shall constitute nor give rise to a pecuniary liability of the Authority or City or a charge against their general credit or taxing powers and shall not constitute a charge, lien, or encumbrance, legal or equitable, upon any property of the Authority or City, other than the revenues pledged to the payment of the bonds under the Indenture.

Under the Lease, and subject to the right of termination by the City at the end of each fiscal year of the City as provided in the Lease, the City is to pay to the Authority sufficient money each year to pay the principal of, premium, if any, and interest on the Bonds issued under this Resolution and the Indenture, and the City is to provide the cost of maintaining the Facilities in good repair, the cost of keeping the Facilities properly insured, and any payments required for taxes and any expenses incurred by the Authority in connection with the Facilities.

1.02. Sale of Bonds. Pursuant to the provisions of Minnesota Statutes, Section 475.60, subdivision 2(9), the public sale requirements do not apply to the sale of the Bonds since the Authority has retained Ehlers & Associates, Inc. as independent financial advisors. The Board has received an offer from the City (the Purchaser), to purchase the Bonds at a price of \$_____ plus accrued interest on all Bonds to the day of delivery and payment, on the further terms and conditions hereinafter set forth and set forth in the Indenture. The offer is hereby accepted, and the Chair and the Secretary are hereby authorized and directed to execute a contract on the part of the Authority for the sale of the Bonds with the Purchaser.

Section 2. BOND TERMS; REGISTRATION; EXECUTION AND DELIVERY.

2.01. Issuance of Bonds. For the purpose of paying the costs of the acquisition, construction and furnishing of the Facilities, this Board hereby authorizes the issuance of the Bonds in the aggregate principal amount of \$16,360,000. All acts, conditions and things which are required by the Constitution and laws of the State of Minnesota to be done, to exist, to happen and to be performed precedent to and in the valid issuance of the Bonds having been done, existing, having happened and having been performed, it is now necessary for this Board to establish the form and terms of the Bonds, to provide security therefor and to issue the Bonds forthwith.

2.02. Terms of the Bonds. The Bonds shall be designated "Public Project Revenue Bonds, Series 2014 (City of Edina Annual Appropriation Lease Obligations)." The terms of the Bonds, including without limitation, the date of original issue, interest payment dates, maturity dates and principal amounts, interest rates, redemption provisions, and provisions for registration and exchange shall be as set forth in Articles II and III of the Indenture which are incorporated herein by reference.

2.03. Execution, Authentication and Delivery. The Bonds shall be executed by the Authority, and authenticated and delivered by the Trustee, in accordance with the applicable provisions of Article II of the Indenture which are incorporated herein by reference.

2.04. Form of Bonds. The Bonds shall be printed in substantially the form set forth in Section 2.01 of the Indenture.

SECTION 3. APPROVAL OF GROUND LEASE; LEASE AGREEMENT; INDENTURE. The form of the Ground Lease, and the form of the Lease Agreement and the Indenture, are hereby approved. The Chair and Secretary are hereby authorized and directed to execute and deliver said documents in the name and on behalf of the Authority with such

variations, omissions and insertions as the Chair and Secretary shall approve, which approval shall be conclusively presumed by the execution and delivery of said documents by the Chair and Secretary.

SECTION 4. REGISTRATION OF BONDS. The Secretary is hereby authorized and directed to file a certified copy of this resolution with the County Auditor of Hennepin County, together with such additional information as required, and to obtain from the County Auditor a certificate that the Bonds have been duly entered upon the County Auditor's bond register.

SECTION 5. AUTHENTICATION OF TRANSCRIPT. The officers of the Authority are hereby authorized and directed to prepare and furnish to the Purchaser, and to Dorsey & Whitney LLP, the attorneys rendering an opinion as to the legality thereof, certified copies of all proceedings and records relating to the Bonds and such other affidavits, certificates and information as may be required to show the facts relating to the legality and marketability of the Bonds, as the same appear from the books and records in their custody and control or as otherwise known to them, and all such certified copies, affidavits and certificates, including any heretofore furnished, shall be deemed representations of the Authority as to the correctness of all statements contained therein.

SECTION 6. OFFICIAL STATEMENT. An Official Statement relating to the Bonds, prepared and delivered on behalf of the Authority by Ehlers & Associates, Inc., has been received and is hereby approved. Ehlers & Associates, Inc. is hereby authorized on behalf of the Authority to prepare and distribute to the Purchaser a supplement to the Official Statement listing the offering price, the interest rates, selling compensation, delivery date, the underwriters and such other information relating to the Bonds required to be included in the Official Statement by Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Act of 1934. Within seven business days from the date hereof, the Authority shall deliver to the Purchaser sufficient copies of the Official Statement and such supplement. The officers of the Authority are hereby authorized and directed to execute such certificates as may be appropriate concerning the accuracy, completeness and sufficiency thereof.

Adopted this 17th day of June, 2014.

Chair

Attest: _____
Secretary

Upon vote being taken thereon, the following voted in favor thereof: Commissioners
and the following voted against the same:
whereupon the Resolution was declared duly passed and adopted.

COUNTY AUDITOR'S CERTIFICATE
AS TO REGISTRATION

The undersigned, being the duly qualified and acting County Auditor of Hennepin County, Minnesota, hereby certifies that there has been filed in my office a certified copy of a resolution duly adopted on June 17, 2014, by the Board of Commissioners of the Edina Housing and Redevelopment Authority, setting forth the form and details of an issue of \$16,360,000 Public Project Revenue Bonds, Series 2014 (City of Edina Annual Appropriation Lease Obligations), Series 2014, dated as of July 15, 2014.

I further certify that said Bonds have been entered on my bond register, as required by Minnesota Statutes, Sections 475.61 to 475.63.

WITNESS my hand and official seal this _____ day of _____, 2014.

County Auditor

(SEAL)

GROUND LEASE

BETWEEN

CITY OF EDINA, AS LESSOR

AND

EDINA HOUSING AND REDEVELOPMENT AUTHORITY,
AS LESSEE

Dated as of July 1, 2014

This instrument drafted by:
Dorsey & Whitney LLP (JPG)
50 South Sixth Street
Suite 1500
Minneapolis, Minnesota 55402

GROUND LEASE

THIS GROUND LEASE is made and entered into as of July 1, 2014 between the CITY OF EDINA, a Minnesota municipal corporation, as lessor (the "City") and the EDINA HOUSING AND REDEVELOPMENT AUTHORITY, MINNESOTA, a body corporate and politic and a political subdivision of the State of Minnesota, as lessee (the "Authority").

1. Leased Premises. City does hereby demise and lease to the Authority, and the Authority does hereby hire and take from City, all of that portion of certain tracts or parcels of land situated in the City of Edina, and State of Minnesota more particularly described on Exhibit A attached hereto and made a part hereof on which portion of land the recreational facilities of the City described on Exhibit B are to be located (the "Facilities"), together with all rights, privileges, easements and appurtenances belonging or in any way appertaining thereto (the "Leased Premises").

2. Term. The term of this Ground Lease (the "Term") shall be for thirty (30) years commencing July 1, 2014; provided that the Term shall automatically expire without the necessity of further documentation on such earlier date as no Bonds (the "Bonds") remain Outstanding pursuant to the terms of the Trust Indenture (Recreational Facilities) (the "Trust Indenture") dated as of July 1, 2014, and between the Authority and U.S. Bank National Association, as Trustee (the "Trustee").

3. Rent. The Authority shall pay to City, during the Term, rent in the amount of \$1.00 per year, commencing on the first day of the Term and on each anniversary of the first day of the Term.

4. Lease Agreement. To provide for the payment of the Bonds the Authority will enter into the Lease Agreement, dated as of July 1, 2014 (the "Lease"), between the Authority, as lessor, and the City of Edina (the "City"), as lessee, relating to the Leased Premises and the Facilities located thereon. Under the Trust Indenture all right, title and interest of the Authority in this Ground Lease and the Lease will be assigned to the Trustee as securities for the payment of the Bonds.

5. Title to Improvements. The Facilities shall be and remain the property of the City subject to the rights of the Authority under this Ground Lease and the City under the Lease until the expiration of the Term. Upon the expiration of the Term, any rights of the Authority in the Facilities shall automatically and without further act on the part of the Authority or City shall terminate.

6. Assignment and Subletting. Other than the assignment of this Ground Lease and the Lease by the Authority to the Trustee pursuant to the Trust Indenture, so long as the Lease has not been terminated in accordance with its terms by either the Authority or the City, the Authority shall not assign this Ground Lease, or sublet the Leased Premises, or mortgage, pledge or hypothecate any interest in this Ground Lease, voluntarily or involuntarily, by operation of

law or otherwise, without the prior written consent of City, which consent may be withheld for any reason or for no reason. If the Lease has been terminated, and the Term of this Ground Lease has not expired pursuant to the provisions of Section 2 hereof, the Authority may freely assign this Ground Lease, sublet the Leased Premises, or mortgage, pledge or hypothecate any interest in this Ground Lease.

7. Assignment by City. The City's interest in this Ground Lease shall be assignable, and thereafter the obligations of City arising or accruing under this Ground Lease after an assignment by City shall be enforceable only against the assignee. Any such assignment shall be subject to the rights of the Authority hereunder and the rights of all persons or entities claiming through the Authority.

8. Default. For purposes of this Ground Lease, the term "Event of Default" shall mean and include any of the following:

A. Rent. A default in the payment of any rent when due hereunder, which default continues for a period of 10 days after written notice of such default from City to the Authority.

B. Other Defaults. A default in the performance or observance by the Authority of any of the covenants, obligations, agreements or conditions of this Ground Lease not described in paragraph A, which default continues for a period of 30 days after written notice of such default by City to the Authority, or if such default cannot reasonably be cured within a period of 30 days, which default is not cured within the time reasonably necessary to cure such default.

Upon occurrence of an Event of Default, the City may take whatever action at law or in equity may appear necessary or desirable to collect the amounts then due or to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Authority under this Ground Lease, but this Ground Lease shall not terminate except in accordance with Section 2 hereof.

9. Quiet Enjoyment. The City hereby represents and warrants that it is the lawful owner of the Leased Premises and that it has full right and power to make this Ground Lease. The City further represents and warrants that the Leased Premises is not subject to any dedication, easement, right of way, reservation in patent, covenant, condition, restriction, lien or encumbrance which would prohibit or materially interfere with the construction of the Facilities on the Leased Premises or the use and operation of the Facilities for recreation purposes after completion of construction.

10. No Personal Liability. It is agreed that the members, directors, officers, managers, employees, agents or representatives of the City and the Authority shall have no personal liability to pay any indebtedness hereunder or to perform any covenant contained herein, and that no personal liability or personal responsibility of any sort is assumed by, nor shall at any time be asserted or enforceable against, said members, directors, officers, managers, employees, agents

or representatives. Each party and all persons claiming by, through or under such party hereby expressly waive and release all such personal liability.

11. Notices. Any notice or election herein required or permitted to be given or served by either party hereto upon the other, shall be deemed given or served in accordance with the provisions of this Ground Lease if delivered to an officer of such other party hereto and his or her receipt obtained therefor, or if mailed in a sealed wrapper by United States registered or certified mail, postage prepaid, properly addressed to such other party at the address hereinafter specified or if delivered to a nationally recognized overnight courier service. Unless and until changed by notice as herein provided, notices and communications shall be addressed as follows:

If to City:	City of Edina Edina City Hall 4801 West 50 th Street Edina, Minnesota 55424 Attn: City Manager
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If to the Authority:	Edina Housing and Redevelopment Authority Edina City Hall 4801 West 50 th Street Edina, Minnesota 55424 Attn: Executive Director
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Each such mailed notice or communication shall be deemed to have been given to, or served upon, the party to which addressed, on the date one day after the same is deposited in the United States registered or certified mail, postage prepaid, or overnight express, or to such nationally recognized overnight courier service, properly addressed in the manner above provided. Each such delivered notice or communication shall be deemed to have been given to, or served upon, the party to whom delivered upon delivery thereof in the manner above provided. Either party may change the address and/or person to whom directed to which mailed notice is to be sent to it by giving to the other party hereto not less than 10 days advance written notice thereof.

12. Captions. The paragraph headings incorporated in this Ground Lease are for convenience only, are not a part of this Ground Lease, and shall not be considered in the interpretation of this Ground Lease.

13. Recordation of Ground Lease. City or the Authority may, at its option and expense, cause this Ground Lease or a memorandum hereof to be filed for record in the office of the County Recorder for County of Hennepin.

14. Modifications. None of the covenants, provisions, terms or conditions of this Ground Lease to be kept or performed by City or the Authority shall be in any manner modified, waived or abandoned, except by written instrument duly signed and delivered by City and the Authority with the same formalities as this Ground Lease has been executed.

15. Severability. If any term, condition or provision of this Ground Lease or the application thereof to any person or circumstance shall, to any extent, be held to be invalid or unenforceable, the remainder thereof and the application of such term, provision and condition to persons or circumstances other than those as to whom it shall be held invalid or unenforceable shall not be affected thereby, and this Ground Lease and all the terms, provisions and conditions hereof shall, in all other respects, continue to be effective and to be complied with to the full extent permitted by law.

16. Binding Effect. All of the terms, covenants, provisions and conditions of this Ground Lease shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

17. Counterparts. This Ground Lease may be executed by the parties hereto in separate counterparts each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

EDINA HOUSING AND REDEVELOPMENT
AUTHORITY

By _____
Chair

And _____
Secretary

CITY OF EDINA

By _____
Mayor

And _____
Manager

STATE OF MINNESOTA)
) SS.
HENNEPIN COUNTY)

This instrument was acknowledged before me on this ____ day of July, 2014, by James Hovland and Ann Swenson, as the Chair of the Board of Commissioners and Secretary, respectively, of the Edina Housing and Redevelopment Authority, a body corporate and politic and a political subdivision of the State of Minnesota.

Notary Public

(Notarial Seal)

STATE OF MINNESOTA)
) SS.
HENNEPIN COUNTY)

The foregoing instrument was acknowledged before me this ____ day of July, 2014 by James Hovland and Scott Neal, the Mayor and the City Manager, respectively of the City of Edina, a Minnesota municipal corporation, on behalf of the City and pursuant to the authority granted by its City Council

Notary Public

(Notarial Seal)

EXHIBIT A

The real property located in Hennepin County, Minnesota described as follows:

EXHIBIT B
DESCRIPTION OF FACILITIES

LEASE AGREEMENT

between the

EDINA HOUSING AND REDEVELOPMENT AUTHORITY

As Lessor

and

CITY OF EDINA, MINNESOTA

As Lessee

Dated as of July 1, 2014

This instrument drafted by:

Dorsey & Whitney LLP (JPG)
50 South Sixth Street, Suite 1500
Minneapolis, Minnesota 55402

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THIS LEASE AGREEMENT, dated as of the 1st day of July, 2014 (the "Lease"), between the EDINA HOUSING AND REDEVELOPMENT AUTHORITY, a body corporate and politic of the State of Minnesota, having its principal office and address at Edina City Hall, Edina, Minnesota (the "Authority"), and CITY OF EDINA, a municipal corporation of the State of Minnesota having its main office at the Edina City Hall, Edina, Minnesota (the "City"),

W I T N E S S E T H:

WHEREAS, the Authority hereby leases to the City, and the City hereby hires and takes from the Authority, the recreational Facilities of the City (the "Facilities") described on Exhibit B attached hereto that is located on the real estate described in Exhibit A hereto (the "Land") and for such purpose the City grants to the Authority for the term of this Lease all rights necessary for the Authority to construct, own and lease the Facilities leased to the City (the "Leased Premises").

TO HAVE AND TO HOLD the Leased Premises unto the City for the Lease Term (as herein defined), in consideration of the Rental Payments provided in Section 5.1 of this Lease to be paid by the City and the terms, covenants and conditions to be performed and kept by the City.

This Lease is granted and accepted upon the following representations, terms, covenants and conditions, and the Authority and the City hereby agree to keep and perform all the terms, covenants and conditions hereof on their part to be kept and performed, as follows:

ARTICLE I

DEFINITIONS AND EXHIBITS

Section 1.1. Definitions. Unless the context otherwise requires, the terms defined in this Section shall, for all purposes of this Lease, have the meanings herein specified.

Additional Bonds: Any Additional Bonds issued pursuant to Section 2.10 of the Indenture.

Architect: A licensed architect in the State of Minnesota to be selected by the City to prepare Plans and Specifications for the Facilities.

Authority Representative: The Chair or the Secretary of the Authority or any other person authorized to act on behalf of the Authority under or with respect to this Lease, as evidenced by a certificate conferring such authority executed by the Chair, given to Trustee and the City.

Bond Fund: The fund so designated and established by the Trustee pursuant to the Trust Indenture.

Bond Resolution: The resolutions of the Authority adopted by the Board of Commissioners of the Authority on June 17, 2014, authorizing the issuance and sale of the Series 2014 Bonds, as the same may be amended, modified or supplemented by any amendments or modifications thereof.

Bonds: The Series 2014 Bonds together with any Additional Bonds.

Business Day: Any day other than a Saturday, Sunday, or other day on which commercial banks in the City in which the principal corporate trust office of the Trustee is located are not open for business.

City Representative: The City Manager or any person authorized by law to act on behalf of the City under or with respect to this Lease, as evidenced by a certificate conferring such authority executed by the City Manager and given to the Trustee and the Authority.

Code: The Internal Revenue Code of 1986, as now or hereafter amended, and the regulations and revenue rulings and procedures issued pursuant thereto from time to time.

Completion Certificate: A certificate in the form attached hereto as Exhibit C executed by the City, stating that the Facilities has been completed in accordance with the Plans and Specifications.

Completion Date: With respect to the Facilities, the date upon which a final Completion Certificate is issued with respect thereto by the City and delivered to the Authority and the Trustee.

Construction Fund: The fund so designated and established by the Trustee pursuant to the Trust Indenture.

Contractor: Each contractor, subcontractor or material supplier, to be selected by the City, providing services or materials or both for the acquisition, construction and furnishing of the Facilities.

Costs or Project Costs: All costs incurred by the City for the acquisition, remodeling, renovation and installation of the Facilities as specified in Section 4.3 of the Trust Indenture.

Environmental Law: The Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §9601 et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. §6901 et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. §1804 et seq., the Federal Water Pollution Control Act, 33 U.S.C. §1251 et seq., the Clean Water Act, 33 U.S.C. §1321 et seq. the Clean Air Act, 42 U.S.C. §7401 et seq., the Minnesota Environmental Response and Liability Act, Minnesota Statutes, Chapter 115B, the Minnesota Petroleum Tank Release Cleanup Act, Minnesota Statutes, Chapter 115C, and any other federal, state, City, municipal, local or other statute, law, ordinance or regulation which may relate to or deal with human health or the environment, all as may be from time to time amended.

Event of Default: An Event of Default as described in Section 10.1 hereof or in Section 7.1 of the Indenture which has not been cured.

Facilities: The recreation Facilities, including fixtures and furnishings, described on Exhibit B hereto.

Fiscal Year: Each twelve-month fiscal period of the City commencing on January 1 of any year and ending on December 31 of said year.

Ground Lease: The Ground Lease, dated as of July 1, 2014, between the City, as lessor, and the Authority, as lessee, pursuant to which the City will ground lease a portion of the Land to the Authority, and any duly authorized and executed amendment thereto.

Hazardous Substances: Asbestos, ureaformaldehyde, polychlorinated biphenyls ("PCBs"), nuclear fuel or material, chemical waste, radioactive material, explosives, known carcinogens, petroleum products and by-products and other dangerous, toxic or hazardous pollutants, contaminants, chemicals, materials or substances listed or identified in, or regulated by, any Environmental Law.

Independent Counsel: An attorney duly admitted to the practice of law before the highest court of the State of Minnesota who is not a full-time employee of the Authority or the City.

Interest Payment Date: The stated maturity of an installment of interest on any of the Bonds.

Land: The real estate described on Exhibit A hereto, upon which the Facilities are located.

Lease: This Lease Agreement, and any duly authorized and executed amendment hereto.

Leased Premises: The portion of the Land subject to the Ground Lease and the Facilities located thereon which is leased by the Authority to the City pursuant to this Lease.

Net Proceeds: Any insurance proceeds or condemnation award paid with respect to the Facilities, remaining after payment therefrom of all expenses incurred in the collection thereof.

Outstanding: When used as of any particular time with reference to Bonds, means (subject to the provisions of Section 9.3 of the Indenture pertaining to Bonds held by the Authority and the City) all Bonds theretofore authenticated and delivered by the Trustee under the Indenture except: (i) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation; (ii) Bonds for the payment or redemption of which funds or direct obligations of or obligations fully guaranteed by the United States of America in the necessary amount shall have theretofore been deposited with the Trustee (whether upon or prior to the maturity or the redemption date of such Bonds); provided that if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given pursuant to Article III of the Indenture, or provision satisfactory to the Trustee shall have been made for the giving of such notice; and (iii) Bonds in lieu of or in substitution for which other Bonds shall have been authenticated and delivered by the Trustee pursuant to the terms of Section 2.8 of the Indenture pertaining to replacement of Bonds.

Payment Date: The date upon which any Rental Payment is due and payable as provided in Section 5.1 hereof.

Permitted Encumbrances: As of any particular time: (i) liens for taxes and assessments not then delinquent, or which the City may, pursuant to provisions of Article VI hereof, permit to remain unpaid, (ii) the Ground Lease; (iii) this Lease and the Trust Indenture, (iv) any mechanic's, laborer's, materialmen's, supplier's or vendor's lien or right not filed or perfected in the manner prescribed by law, (v) such minor defects, irregularities, encumbrances, easements, rights-of-way and clouds on title as normally exist with respect to properties similar in character to the Land and do not, in the opinion of Independent Counsel, materially impair the property affected thereby for the purpose for which it was intended; or (v) easements, restrictions or encumbrances, if any, shown on Exhibit A hereto.

Plans and Specifications: Architectural and engineering drawings and specifications prepared by the Architect describing the Facilities and any changes thereto approved by the City.

Principal Payment Date: The stated maturity of principal of any Bond.

Purchase Price: The amount necessary to defease to the earliest permissible redemption date the remaining Outstanding principal amount of Bonds, together with an amount equal to the Authority's and Trustee's fees and expenses in connection with such defeasance and redemption.

Rental Payment: Any payment due from the City to the Authority under Section 5.1 of this Lease.

Series 2014 Bonds: The \$ _____ Public Project Revenue Bonds, Series 2014 (City of Edina Annual Appropriation Lease Obligation), to be issued by the Authority pursuant to the Trust Indenture.

State: The State of Minnesota.

State and Federal Law or Laws: The Constitution and laws of the State, and any ordinance, rule or regulation of any agency or political subdivision of the State; and any law of the United States, and any rule or regulation of any executive department or federal agency.

Term of the Lease or Lease Term: The period during which this Lease remains in effect as specified in Sections 4.1 and 4.2.

Trustee: U.S. Bank National Association, in St. Paul, Minnesota, and any successor thereto.

Trust Indenture: The Trust Indenture dated as of the date hereof, between the Authority and the Trustee, and any duly authorized and executed amendment thereto.

Section 1.2. Exhibits.

The following Exhibits are attached to and by reference made a part of this Lease:

Exhibit A: A legal description of the Land.

Exhibit B: A description of the Facilities.

Exhibit C: A form of Completion Certificate.

ARTICLE II

REPRESENTATIONS AND COVENANTS OF THE CITY AND THE AUTHORITY

Section 2.1. Representations and Covenants of the City. The City represents and covenants as follows:

(a) The Constitution and the laws of the State authorize the City to enter into this Lease and the transactions contemplated hereby, and to carry out its obligations under this Lease.

(b) The officers of the City executing this Lease are duly authorized to execute and deliver this Lease under the Constitution and laws of the State.

(c) The City has complied and will comply with all open meeting laws, all public bidding laws and all other State and Federal Laws applicable to this Lease and the remodeling and renovation of the Facilities.

(d) The City will use the Facilities during the Lease Term only to perform essential governmental functions of the City, and will not enter into any sublease, use agreement, management agreement or other contract which would cause the Bonds to be considered "private activity bonds" or "private loan bonds" pursuant to Section 141 of the Code.

(e) The execution and delivery of this Lease and the other agreements contemplated hereby to which the City is a party and the consummation of the transactions contemplated hereby and thereby and the fulfillment of the terms hereof and thereof will not conflict with, or constitute on the part of the City a breach of, or a default under, any existing (i) law, or (ii) provisions of any legislative act or other proceeding establishing or relating to the establishment of the City or its affairs or its resolutions, or (iii) agreement, indenture, mortgage, lease or other instrument to which the City is subject or is a party or by which it is bound.

(f) No officer of the City who is authorized to take part in any manner in making this Lease or any contract contemplated hereby has a personal financial interest in or has personally and financially benefitted from this Lease or any such contract.

(g) There is not pending or overtly threatened any suit, action or proceeding against or affecting the City before or by any court, arbitrator, administrative agency or other governmental authority which materially and adversely affects the validity, as to the City, of this Lease, any of the obligations of the City hereunder or any of the transactions contemplated hereby.

(h) No event of nonappropriation or other financing lease termination has occurred in connection with any prior lease financing by the City.

(i) The Facilities are essential for the carrying out of the governmental purposes of the City.

Section 2.2. Representations and Covenants of the Authority. The Authority represents and covenants as follows:

(a) The Constitution and the laws of the State authorize the Authority to undertake the construction, remodeling, renovation and furnishing of the Facilities, to enter into this Lease and the transactions contemplated hereby, and to carry out its obligations under this Lease.

(b) The officers of the Authority executing this Lease are duly authorized to execute and deliver this Lease under the Constitution and laws of the State.

(c) The Authority has complied and will comply with all open meeting laws, all public bidding laws and all other State and Federal Laws applicable to this Lease and the remodeling and renovation of the Facilities.

(d) So long as any of the Bonds remain Outstanding, the Authority will not enter into any lease, use agreement, management agreement or other contract which would cause the Bonds to be considered "private activity bonds" or "private loan bonds" pursuant to Section 141 of the Code.

(e) The execution and delivery of this Lease and the other agreements contemplated hereby to which the Authority is a party and the consummation of the transactions contemplated hereby and thereby and the fulfillment of the terms hereof and thereof will not conflict with, or constitute on the part of the Authority a breach of, or a default under, any existing (i) law, or (ii) provisions of any legislative act or other proceeding establishing or relating to the establishment of the Authority or its affairs or its resolutions, or (iii) agreement, indenture, mortgage, lease or other instrument to which the Authority is subject or is a party or by which it is bound.

(f) No officer of the Authority who is authorized to take part in any manner in making this Lease or any contract contemplated hereby has a personal financial interest in or has personally and financially benefited from this Lease or any such contract.

(g) There is not pending or threatened any suit, action or proceeding against or affecting the Authority before or by any court, arbitrator, administrative agency or other governmental authority which materially and adversely affects the validity, as to the Authority, of this Lease, any of the obligations of the Authority hereunder or any of the transactions contemplated hereby.

ARTICLE III

CONSTRUCTION OF THE FACILITIES

Section 3.1. City to Act as Agent. The Authority hereby irrevocably appoints the City as its agent in connection with the acquisition, construction and furnishing of the Facilities. The City, as agent of the Authority, will enter into a contract with such Contractors as may be necessary and desirable to provide for the Facilities in accordance with the Plans and Specifications. The City has caused or shall cause the Architect to prepare the Plans and Specifications for the Facilities, and shall ensure that such Plans and Specifications comply with applicable State law.

Section 3.2. Project Costs; Payment of Costs. The Authority shall, upon the issuance of the Series 2014 Bonds deposit or cause to be deposited with the Trustee the sum of \$_____ from the proceeds of the Series 2014 Bonds (being the principal amount of \$_____ plus a reoffering premium of \$_____, less \$_____ underwriter's discount. All of such moneys shall be deposited in the Construction Fund. All such moneys shall be administered by the Trustee as provided in the Trust Indenture. The City reserves the right to modify or add items to the Facilities. No such change in the Facilities shall increase the amount of moneys required to be deposited by the Authority pursuant to this Lease, or alter the schedule of Rental Payments.

The moneys on hand from time to time in the Construction Fund held by the Trustee shall be made available to City for payment of the Project Costs, in the manner provided in the Trust Indenture.

Section 3.3. City's Liability. As between the Authority and the City, the City assumes liability for all risks of loss during the renovation, remodeling and furnishing of the Facilities. The City shall maintain, or require the Contractors to maintain, in force during the entire acquisition, delivery and installation period of the Facilities, payment and performance bonds in amounts not less than the amounts of any contracts with any Contractor entered into with respect to the Facilities, builder's risk or property damage insurance in an amount not less than the full value of all work done and materials and equipment provided or delivered by the Contractor, comprehensive liability insurance, worker's compensation insurance and other insurance required by law or customarily maintained with respect to like projects during the course of acquisition and construction.

ARTICLE IV

LEASE

Section 4.1. Term of Lease. This Lease shall be and remain in effect with respect to the Facilities for a Lease Term commencing on the date hereof and continuing until no Bonds remain Outstanding, or until terminated as provided in Section 4.2.

Section 4.2. Termination of Lease Term. The Term of the Lease will terminate prior to February 1, 2035 upon the occurrence of the first of the following events:

- (a) termination of this Lease pursuant to Section 5.4 hereof;
- (b) a default by the City and the Authority's election to terminate this Lease pursuant to Article X; or
- (c) the payment by the City of the Purchase Price pursuant to Section 11.3 hereof, together with any fees and expenses due the Authority or the Trustee hereunder or under the Trust Indenture.

Section 4.3. Possession and Enjoyment. The Authority hereby covenants with respect to the Leased Premises to provide the City during the Term of the Lease with quiet use and enjoyment of the Leased Premises and the City shall during such Lease Term peaceably and quietly have and hold and enjoy the Leased Premises, without suit, trouble or hindrance from the Authority, except as expressly set forth in this Lease. The Authority will, at the request of the City and at the City's cost, join in any legal action in which the City asserts its right to such possession and enjoyment to the extent the Authority may lawfully do so.

Section 4.4. Authority Access to Facilities. The City agrees that the Authority and any Authority Representative shall have the right at all reasonable times to enter upon and to examine and inspect the Facilities. The City further agrees that the Authority and any Authority Representative shall have such rights of access to the Facilities as may be reasonably necessary to cause the proper maintenance of the Facilities in the event of failure by the City to perform its obligations hereunder, or to carry out the Authority's obligations and exercise the Authority's rights under Article X, or to determine whether the City is in compliance with this Lease.

ARTICLE V

RENTAL PAYMENTS; FEES AND EXPENSES

Section 5.1. Rental Payments. The City shall, by wire transfer or ACH (automated clearing house) in immediately available funds, pay Rental Payments with respect to the Facilities as follows:

(a) On or before each Interest Payment Date the City shall pay an amount equal to the interest, and principal, if any, due on the Bonds on the such Interest Payment Date.

(b) As a credit against the first interest payment otherwise required to be paid by the City to the Trustee pursuant to (a) of this Section 5.1, there shall be applied the proceeds of the Series 2014 Bonds initially deposited into the Bond Fund.

(c) On each February 1 and August 1, so long as no Event of Default has occurred and is continuing, the City shall have a credit against the Rental Payment otherwise due on said date to the extent of any investment profits or earnings which have been transferred or are otherwise available in the Bond Fund for such purpose.

(d) In the event the City shall have paid Rental Payments with respect to an Interest Payment Date, but the funds on deposit in the Bond Fund are nevertheless insufficient to pay such principal, premium (if any) and interest on the Bonds then due or to become due on such Interest Payment Date, the City will forthwith pay as Rental Payments the amount of the deficiency.

The Rental Payments provided for in this Section 5.1 shall be paid directly to the Trustee at its corporate trust office for the account of the City for deposit in the Bond Fund as provided in the Indenture.

Section 5.2. Rental Payments to be Unconditional. Except as provided in Section 5.4, the obligation of the City to make Rental Payments due with respect to the Facilities or any other payments required hereunder shall be absolute and unconditional in all events. Notwithstanding any dispute between the City and the Authority or any other person, the City shall make all Rental Payments and other payments required hereunder when due and shall not withhold any Rental Payment or other payment pending final resolution of such dispute nor shall the City assert any right of set-off or counterclaim against its obligation to make such Rental Payments or other payments required under this Lease. The City's obligation to make Rental Payments or other payments during the Lease Term shall not be abated through accident or unforeseen circumstances including, without limitation, any circumstance related to the Facilities or the construction thereof.

Section 5.3. Current Expense. The obligations of the City under this Lease, including its obligation to pay the Rental Payments due with respect to the Facilities in any Fiscal Year for which this Lease is in effect, shall constitute a current expense of the City for such Fiscal Year and shall not constitute an indebtedness of the City within the meaning of the Constitution and

laws of the State (except the amount of the Lease shall be included in the calculation of net debt for purposes of Minnesota Section 475.53, as provided in Minnesota Statutes, Section 465.71). Nothing herein shall constitute a pledge by the City of any taxes or other moneys, other than moneys lawfully appropriated from time to time by or for the benefit of the City's annual budget and the proceeds of the Bonds or Net Proceeds of the Facilities, to the payment of any Rental Payment or other amount coming due hereunder.

Section 5.4. Termination of Lease. The City shall have the right to cancel and terminate this Lease, in whole but not in part, at the end of any Fiscal Year of the City, in the manner and subject to the terms specified in this Section and Section 5.6, if the City's governing body does not appropriate moneys sufficient to pay the Rental Payments coming due in the next Fiscal Year. Lack of a sufficient appropriation shall be evidenced by a specific provision in the budget of the City which prohibits the expenditure of the City funds for this purpose. The City may effect such termination by giving the Authority a written notice of termination and by paying to the Authority any Rental Payments which are due and have not been paid at or before the end of its then current Fiscal Year. The City shall endeavor to give notice of termination not less than one hundred twenty (120) days prior to the end of such Fiscal Year, and shall notify the Authority of any anticipated termination. In the event of termination of this Lease as provided in this Section, the City shall deliver possession of the Facilities to the Authority in accordance with Section 10.3, and release its interest in the Facilities granted under this Lease within ten (10) days after the termination of this Lease.

The Authority may not terminate this Lease except as provided in Article X hereof upon the occurrence and continuation of an event of default by the City.

Section 5.5. Intent to Continue Lease-Purchase Payments; Appropriations. The City presently intends to continue this Lease for its entire Term and to pay all Rental Payments required hereunder. The City Manager and Finance Director will include in the budget request for each Fiscal Year the Rental Payments to become due in such Fiscal Year, and will use all reasonable and lawful means at their disposal to secure the appropriation of money for such Fiscal Year sufficient to pay the Rental Payments coming due therein. The City reasonably believes that moneys in an amount sufficient to make all such Rental Payments can and will lawfully be appropriated and made available for this purpose. To provide the funds necessary to make the Rental Payments, the City agrees, subject to the provisions of Section 5.4, that it will include in each annual budget an appropriation sufficient therefor.

Section 5.6. Effect of Termination. Upon termination of this Lease as provided in Section 5.4, the City shall not be responsible for the payment of any additional Rental Payments coming due with respect to succeeding Fiscal Years, but if the City has not delivered possession of the Leased Premises to the Authority in accordance with Section 10.3 and conveyed to the Authority or released its interest in the Leased Premises granted under this Lease within ten (10) days after the termination of the Lease, the termination shall nevertheless be effective, but the City shall be responsible for the payment of damages in an amount equal to the amount of the Rental Payments thereafter coming due which are attributable to the number of days after such ten (10) day period during which the City fails to take such actions. Upon termination of this Lease as provided in Section 5.4, the Trustee, on behalf of the Authority, may take any of the actions specified in Section 10.2 hereof.

Section 5.7. Additional Rental Payments. The City shall during the Lease Term, within ten (10) Business Days after written notice that such payment is due, also pay the following amounts of additional rent to the following persons:

(a) to the Trustee, all reasonable fees and expenses of the Trustee for services rendered under the Trust Indenture, provided that the City may, without creating a default hereunder, contest in good faith the reasonableness of any such fees or expenses other than the Trustee's fees for ordinary services as may be set forth in the Trust Indenture;

(b) to the Authority, all reasonable expenses incurred by the Authority in connection with the transactions contemplated hereby which are not otherwise required to be paid by the City under the terms of this Lease;

(c) to the United States, on behalf of the Authority, all payments of the rebate amount required to be paid by the City pursuant to Section 6.11 hereof and all fees and expenses, if any, incurred by the Authority and the Trustee relating to the calculation and payment of the rebate amount in accordance with the provisions of the Rebate Certificate referred to in said Section 6.11;

(d) all other costs and expenses specifically required to be paid by the City under the terms of this Lease or the Trust Indenture; and

(e) to the Authority or the Trustee, as the case may be, the amount of all advances of funds made by either of them under the provisions hereof.

In the event the City should fail to make any of the payments required by this Section, the item in default shall continue as an obligation of the City until the amount in default shall have been fully paid, and the City will pay the same with interest thereon at the rate of 8% per annum, or, if less, at the maximum rate permitted by law.

ARTICLE VI

MAINTENANCE; TAXES; INSURANCE; AND OTHER MATTERS

Section 6.1. Maintenance and Modification of Facilities by City. From and after the Completion Date the City shall, at its own expense, maintain, preserve and keep the Facilities in good repair, working order and condition, and shall from time to time make all repairs, replacements and improvements necessary to keep the Facilities in such condition. The Authority shall have no responsibility for any of these repairs, replacements or improvements. In addition, the City shall, at its own expense, have the right to remodel the Facilities or to make additions, modifications and improvements thereto. All such additions, modifications and improvements shall thereafter comprise part of the Facilities, shall be the property of the Authority and be subject to the provisions of this Lease. Such additions, modifications and improvements shall not in any way damage the Facilities nor cause it to be used for purposes other than those authorized under the provisions of State and Federal Law, and the Facilities, upon completion of any additions, modifications and improvements made pursuant to this Section, shall be of a value not less than the value of the Facilities immediately prior to the making of such additions, modifications and improvements. The City will not permit any mechanic's or other lien to be established or remain against the Facilities for labor or materials furnished in connection with any remodeling, additions, modifications, improvements, repairs, renewals or replacements made by the City pursuant to this Section; provided that if any such lien is established and the City shall first notify the Authority of the City's intention to do so, the City may in good faith contest any lien filed or established against the Facilities, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom unless the Authority shall notify the City that, in the opinion of Independent Counsel, by nonpayment of any such item the interest of the Authority in the Facilities will be materially endangered or the Facilities or any part thereof will be subject to loss or forfeiture, in which event the City shall promptly pay and cause to be satisfied and discharged all such unpaid items or provide the Authority with full security against any such loss or forfeiture, in form satisfactory to the Authority. The Authority will cooperate fully with the City in any such contest, upon the request and at the expense of the City.

Section 6.2. Taxes, Other Governmental Charges and Utility Charges. The City shall also pay when due all gas, water, steam, electricity, heat, power, telephone, and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Facilities. The City shall also pay all property and excise taxes and governmental charges of any kind whatsoever which may at any time be lawfully assessed or levied against or with respect to the Facilities, which become due during the Term of the Lease, and all special assessments and charges lawfully made by any governmental body for public improvements that may be secured by a lien on the Facilities; provided that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the City shall be obligated to pay only such installments as are required to be paid during the Term of the Lease as and when the same become due. The City shall not be required to pay any federal, state or local income, inheritance, estate, succession, transfer, gift, franchise, gross receipts, profit, excess profit, capital stock, corporate, or other similar tax payable by the Authority, its successors or assigns, unless such tax is made in lieu of or as a substitute for any real estate or other tax upon the Facilities.

The City may, at the City's expense and in the City's name, in good faith contest any such taxes, assessments, utility and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Authority shall notify the City that, in the opinion of Independent Counsel, by nonpayment of any such items the interest of the Authority in the Facilities will be materially endangered or the Facilities or any part thereof will be subject to loss or forfeiture, in which event the City shall promptly pay such taxes, assessments or charges or provide the Authority with full security against any loss which may result from nonpayment, in form satisfactory to the Authority.

Section 6.3. Liability Insurance. The City shall procure and maintain continuously in effect with respect to the Facilities, insurance against liability for injuries to or death of any person or damage to or loss of property arising out of or in any way relating to the maintenance, use or operation of the Facilities or any part thereof, and will cause the Contractors to maintain similar insurance against all similar liabilities on their part prior to the Completion Date. The Net Proceeds of all such insurance shall be applied toward extinguishment or satisfaction of the liability with respect to which the insurance proceeds may be paid. As an alternative to the purchase of liability insurance, the City may self-insure against such liabilities in accordance with applicable law.

Section 6.4. Indemnity.

(a) The City assumes all risks and liabilities, whether or not covered by insurance, for loss or damage to the Facilities and for injury to or death of any person or damage to any property, whether such injury or death be with respect to agents or employees of the City or of third parties, and whether such property damage be to the City's property or the property of others, which is proximately caused by the negligent conduct of the City, its officers, employees and agents. The City hereby assumes responsibility for and agrees to reimburse the Authority, the Trustee, their officers, agents or employees, for all liabilities, obligations, losses, damages, penalties, claims, actions, costs and expenses (including reasonable attorney's fees) of whatsoever kind and nature, imposed on, incurred by or asserted against the Authority, the Trustee, their officers, agents or employees, that in any way relate to or arise out of the acquisition and construction of the Facilities, the operation and maintenance of the Facilities, the execution and performance of this Lease or the authorization, execution and delivery of the Bonds, to the maximum extent permitted by law.

(b) To the maximum extent permitted by law, the City hereby agrees to defend, indemnify and hold harmless Authority, the Trustee and their officers, employees, agents, successors and assigns (hereinafter collectively referred to as the "Indemnitees") from and against, and shall reimburse each such Indemnitees for, any and all loss, claim, liability, damage, judgment, penalty, injunctive relief, injury to person, property or natural resources, cost, expense, action or cause of action arising in connection with or as the result of any past, present or future existence, use, handling, storage, transportation, manufacture, release or disposal of any Hazardous Substance in, on or under the Land, whether foreseeable or unforeseeable, regardless of the source, the time of occurrence or the time of discovery (hereafter collectively referred to as "Loss").

The foregoing indemnification against Loss includes, without limitation, indemnification against all costs in law or in equity of removal, response, investigation, or remediation of any kind, and disposal of such Hazardous Substances, all costs of determining whether the Land is in compliance with, and of causing the Land to be in compliance with, all applicable Environmental Laws, all costs associated with claims for damages to persons, property, or natural resources, and the Indemnitees' reasonable attorneys' and consultants' fees, court costs and expenses incurred in connection with any thereof.

(c) The obligations of the City to indemnify the Indemnitees shall survive satisfaction and payment in full of the Bonds, or termination of this Lease. The rights of the Indemnitees hereunder shall be in addition to any other rights and remedies which the Indemnitees may have against the Land and the City under this Lease or any other document or at law or in equity.

(d) Notwithstanding anything in this Lease to the contrary, if the Authority should subsequently terminate the Lease and reacquire possession of the Facilities (the date on which this event occurs being the "Transfer Date"), the indemnifications described in this Section 6.4 shall not apply to any Loss incurred by the Authority or the Trustee as a direct result of affirmative actions of the Authority or the Trustee after the Authority or the Trustee has acquired possession of the Facilities if such affirmative actions of the Authority or the Trustee are the sole and direct cause of the introduction and initial release of a Hazardous Substance in, on or under the Land or Facilities; provided, however, that the City shall bear the burden of proof that the introduction and initial release of such Hazardous Substance (i) occurred subsequent to the Transfer Date, (ii) did not occur as a result of any action of the City, and (iii) did not occur as a result of a continuing migration or release of any Hazardous Substance introduced prior to the Transfer Date in, on, under or near the Land or Facilities.

(e) Except as expressly provided for in this Section 6.4, the indemnifications provided herein shall remain in full force and effect, including, without limitation, with respect to Hazardous Substances which are discovered or released in, on or under the Land or Facilities after the Transfer Date, and with respect to the continuing migration or release of any Hazardous Substance previously introduced in, on, under or near the Land or Facilities. The foregoing limitations shall not affect or impair any rights, remedies or claims the Authority or the Trustee may have outside the scope of this indemnity, at law or in equity, with respect to the City or others.

Section 6.5. Property Insurance. Before and after the Completion Date, the City shall have and assume the risk of loss with respect to the Facilities. The City shall procure and maintain continuously in effect during the Term of the Lease with respect to the Facilities, hazard insurance against all risks of physical loss (including, without limitation, fire, extended coverage perils and vandalism and malicious mischief) in an amount equal to the full replacement value of the Facilities (and in any event not less than the Outstanding principal amount of the Bonds). The Net Proceeds of Insurance required by this Section shall be applied as provided in Article VII.

Section 6.6. Worker's Compensation Insurance. If required by State law, the City shall carry worker's compensation insurance covering all its employees on, in, near or about the Facilities. Alternatively, the City may self-insure against such liabilities in accordance with applicable law.

Section 6.7. Other Insurance and Requirements for All Insurance. All insurance by this Article may be carried under a separate policy or a rider or endorsement to an existing policy; shall be taken out and maintained with responsible insurance companies organized under the laws of one of the states of the United States and qualified to do business in the State; shall contain a provision that the insurer shall not cancel or revise coverage thereunder without giving written notice to both parties, and to the Trustee, at least 10 days before the cancellation or revision becomes effective; and shall name the City, the Authority and the Trustee as insured parties as their interests may appear. The City shall provide the Trustee annually, commencing December 1, 2010, with a certificate as to compliance with the provisions of this Section 6.7. The Trustee shall be entitled to rely upon said certificate as to the City's compliance with the insurance requirements. The Trustee shall not be responsible for the sufficiency of coverage or amounts of such policies.

Section 6.8. Advances. If the City shall fail to perform any of its obligations under this Lease, the Authority or the Trustee may, but shall not be obligated to, take such action as may be necessary to cure such failure, including the advancement of money, and the City shall be obligated to repay all such advances on demand, with interest at the maximum rate permitted by law or 8%, whichever is less, from the date of the advance to the date of repayment.

Section 6.9. Liens. The City shall not, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Facilities, other than the respective rights of the Authority and the City as herein provided and Permitted Encumbrances. Except as expressly provided in this Article, the City shall promptly, at its own expense, take such action as may be necessary duly to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim if the same shall arise at any time. The City shall reimburse the Authority for any expense incurred by it in order to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim.

Section 6.10. Financial Statements. The City shall provide the Trustee and the Authority, within 365 days of the end of each Fiscal Year, with a copy of its annual audited financial statements.

Section 6.11. Arbitrage Rebate. The City will comply with all provisions of the Rebate Certificate, dated as of the date of delivery of the Series 2014 Bonds, and executed by the City, the Authority and the Trustee. If required, the City shall pay the rebate amount calculated from time to time in accordance with the provisions of the Rebate Certificate and shall pay, or reimburse to the Authority and the Trustee, all costs and expenses incurred by the Authority and the Trustee, as the case may be, in making such calculations and otherwise carrying out the provisions of the Rebate Certificate.

Section 6.12. Waiver by City of Receipt of Confirmations. The City acknowledges that regulations of the Comptroller of the Currency grant the City the right to receive brokerage confirmations of the security transactions as they occur. The City specifically waives such notification to the extent permitted by law and will receive periodic cash transaction statements that will detail all investment transactions.

ARTICLE VII

DAMAGE, DESTRUCTION AND CONDEMNATION; USE OF NET PROCEEDS

Section 7.1. Damage, Destruction and Condemnation. If (i) the Facilities or any portion thereof is destroyed or is damaged by fire or other casualty or (ii) title to or the temporary use of the Facilities or any part thereof, or the interest of the City or the Authority in the Facilities or any part thereof, shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority, the City shall have the rights specified in this Section with respect to the Net Proceeds of any insurance or condemnation award. The City may either apply such Net Proceeds to the prompt repair, restoration, modification or improvement of the Facilities and shall be obligated to continue to pay the Rental Payments or the City may exercise its option to purchase the Facilities pursuant to the terms of Section 11.3 hereof, in which event the Net Proceeds may be used for such purpose. The City shall notify the Authority and the Trustee within 90 days of the date of damage, destruction or taking as to its decision regarding restoration or purchase. In the event the City determines to repair and restore the Facilities, the Authority shall assign to the City all of its interests in said Net Proceeds and the City shall deposit the Net Proceeds with the Trustee for deposit into the Construction Fund. The Trustee shall disburse such Net Proceeds from the Construction Fund to pay the costs of repair and restoration in the manner provided in Article IV of the Trust Indenture.

Section 7.2. Insufficiency of Net Proceeds. If the City elects to repair and restore the Facilities and the Net Proceeds are insufficient to pay in full the cost of any repair and restoration, the City shall complete the work and pay any cost in excess of the amount of the Net Proceeds, and the City agrees that if by reason of any such insufficiency of the Net Proceeds the City shall make any payments pursuant to the provisions of this Section 7.2, the City shall not be entitled to any reimbursement therefor from the Authority nor shall the City be entitled to any diminution of the Rental Payments due with respect to the Facilities.

Section 7.3. Cooperation of Authority. The Authority shall cooperate fully with the City at the expense of the City in filing any proof of loss with respect to any insurance policy covering the casualties described in Section 7.1 hereof and in the prosecution or defense of any prospective or pending condemnation proceeding with respect to the Facilities or any part thereof and will, to the extent it may lawfully do so, permit the City to litigate in any proceeding resulting therefrom in the name of and on behalf of the Authority. In no event will the Authority voluntarily settle, or consent to the settlement of, any proceeding arising out of any insurance claim or any prospective or pending condemnation proceeding with respect to the Facilities or any part thereof without the written consent of the City.

Section 7.4. Destruction or Condemnation of Other Property Owned by City. The City shall be entitled to the Net Proceeds of any insurance claim or condemnation award or portion thereof made for destruction of, damage to or taking of its property not included in the Facilities.

ARTICLE VIII

CITY'S EQUIPMENT; WARRANTIES; DISCLAIMER

Section 8.1. Installation of City's Equipment. The City may at any time and from time to time, in its sole discretion and at its own expense, install items of movable machinery and equipment in or upon the Facilities. All such items shall remain the sole property of the City, in which the Authority shall have no interest, and may be modified or removed by the City at any time provided that the City shall repair and restore any and all damage to the Facilities resulting from the installation, modification or removal of any such items. Nothing in this Lease shall prevent the City from purchasing items to be installed pursuant to this Section under a conditional sale or lease with option to purchase contract, or subject to a vendor's lien or security agreement, as security for the unpaid portion of the purchase price thereof, provided that no such lien or security interest shall attach to any part of the Facilities.

Section 8.2. Design of Facilities. The design of the Facilities, the Architect and the Contractors have been or will be selected by the City, and the Authority shall have no responsibility in connection with the selection thereof, the design of the Facilities, its suitability for the use intended by the City, or the performance by the Architect or the Contractors in acquiring and constructing the Facilities.

Section 8.3. Installation and Maintenance of Facilities. The Authority shall have no obligation to install, erect, test, inspect, service or maintain the Facilities, or any portion thereof, under any circumstances, but such actions shall be the obligation of the City in accordance with the provisions of this Lease.

Section 8.4. Warranties. The Authority hereby assigns to the City for and during the Term of the Lease, all of its interest, if any, in all warranties and guarantees or other contract rights against the Architect and the Contractors, express or implied, issued on or applicable to the Facilities, and the Authority hereby authorizes the City to obtain the customary services furnished in connection with such warranties and guarantees at the City's expense.

Section 8.5. Disclaimer of Warranties. THE AUTHORITY MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY THE CITY OF THE FACILITIES, OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE FACILITIES.

ARTICLE IX

ASSIGNMENT AND SUBLEASING

Section 9.1. Assignment by Authority. The Authority shall not assign its obligations under this Lease, and no purported assignment thereof shall be effective. All of the Authority's right, title and/or interest in and to this Lease, the Rental Payments and other amounts due hereunder (other than any indemnity payments and reimbursement of costs and expenses) may be assigned to the Trustee and the City hereby consents to the assignment made by the Authority to the Trustee pursuant to the Trust Indenture.

Section 9.2. Assignment and Subleasing by City. The City may not assign its rights or obligations under this Lease to any person during the Term of the Lease. The City may not sublease all or any part of the Facilities, or contract for the operation of the Facilities by an entity other than the City, during the Term of the Lease except (i) with the prior written consent of the Authority and (ii) in a manner that will not cause interest on the Bonds the interest on which is not includable in gross income of the owners thereof for federal income tax purposes, to become includable in the gross income of the owners thereof for federal income tax purposes, as evidenced by an opinion of nationally recognized bond counsel filed with the Authority and Trustee prior to effective date of any such sublease or contract.

ARTICLE X

EVENTS OF DEFAULT AND REMEDIES

Section 10.1. Events of Default Defined. The following shall be “events of default” under this Lease and the terms “events of default” and “default” shall mean, whenever they are used in this Lease, with respect to the Facilities, any one or more of the following events:

(i) Failure by the City to pay any Rental Payment or other payment required to be paid hereunder at the time specified herein, which failure, other than a failure to pay any Rental Payment at the time specified herein, shall continue for a period of five days after written notice given to the City by the Trustee on behalf of the Authority.

(ii) Failure by the City to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in clause (i) of this Section, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied has been given to the City by the Trustee on behalf of the Authority, unless the Trustee shall agree in writing to an extension of such time prior to its expiration.

(iii) The filing by the City of a voluntary petition in bankruptcy, or failure by the City promptly to lift any execution, garnishment or attachment of such consequence as would impair the ability of the City to carry on its operations at the Facilities, or adjudication of the City as a bankrupt, or assignment by the City for the benefit of creditors, or the entry by the City into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to City in any proceedings instituted under the provisions of the Federal Bankruptcy Statute, as amended, or under any similar acts which may hereafter be enacted.

The provisions of this Section 10.1 and Section 10.2 are subject to the following limitation: if by reason of force majeure the City is unable in whole or in part to carry out its obligations under this Lease with respect to the Facilities, other than the obligation of the City to pay Rental Payments with respect thereto which shall be paid when due notwithstanding the provisions of this paragraph, the City shall not be deemed in default during the continuance of such inability or during any other delays which are a direct consequence of the force majeure inability. The term “force majeure” as used herein shall mean, without limitation, the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States of America or the State of Minnesota or any of its departments, agencies or officials, or any civil or military authority; insurrections; riots; landslides; earthquakes; fires; storms; droughts; floods; explosions; or any other cause or event not reasonably within the control of the City and not resulting from its negligence. The City agrees, however, to remedy with all reasonable dispatch the cause or causes preventing it from carrying out its obligations under this Lease; provided that the settlement of strikes, lockouts and other employment disputes shall be entirely within the discretion of the City.

Section 10.2. Remedies on Default. Whenever any event of default referred to in Section 10.1 hereof shall have happened and be continuing with respect to the Facilities, the

Trustee, on behalf of the Authority, shall have the right, at its option, to take one or any combination of the following remedial steps:

- (i) Cancel and terminate this Lease by written notice in accordance with law, reenter and take possession of the Leased Premises and all improvements thereto, and all prior Rental Payments made hereunder by the City shall belong to the Authority as liquidated damages; and
- (ii) Take whatever action at law or in equity may appear necessary or desirable to collect the Rental Payments then due and thereafter to become due during the then current Fiscal Year of the City with respect to the Leased Premises, or enforce performance and observance of any obligation, agreement or covenant of the City under this Lease; and
- (iii) Lease or sell the Authority's interests in the Leased Premises or any portion thereof in a commercially reasonable manner at public or private sale in accordance with applicable State laws and apply the proceeds of such lease or sale in accordance with Section 7.3 of the Trust Indenture.

The Authority covenants to cooperate with the Trustee upon request in the exercise of any of the foregoing remedies.

Section 10.3. Surrender of Leased Premises. Upon the termination of this Lease as aforesaid, the City shall surrender possession of the Leased Premises to the Authority in the condition, repair, appearance and working order required in Section 6.1.

Section 10.4. Delay; Notice. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle any party to exercise any remedy reserved to it in this Lease it shall not be necessary to give any notice, other than such notice as may be required in this Lease or by law.

Section 10.5. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Authority is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

Section 10.6. Agreement to Pay Attorneys' Fees and Expenses. In the event either party to this Lease should default under any of the provisions hereof and the nondefaulting party should employ attorneys or incur other expenses for the collection of moneys or the enforcement or performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party agrees that it will on demand therefor pay to the nondefaulting party the reasonable fee of such attorneys and such other expenses so incurred by the nondefaulting party.

Section 10.7. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Lease should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

ARTICLE XI

TITLE

Section 11.1. Title. During the Term of the Lease, legal title to the Facilities and any and all repairs, replacements, substitutions and modifications to it shall be in the Authority, subject to the City's interests under this Lease.

Section 11.2. Security Interest. The City hereby grants the Authority a security interest in all portions of the Facilities that are funded in whole or in part with proceeds of Bonds and that are deemed personal property or fixtures pursuant to applicable law, whether currently owned or hereafter acquired, the proceeds thereof and all repairs, replacements, substitutions and modifications thereto or thereof, and a security interest in the proceeds of all insurance policies and amounts held in the Funds established pursuant to the Trust Indenture, in order to secure the City's payment of all Rental Payments due during the Term of this Lease and the performance of all other obligations herein to be performed by the City. The City will cause to be executed, filed and recorded all instruments, including financing statements and continuation statements, and will perform such acts as are required to establish and maintain a valid and perfected security interest in such portions of the Facilities.

The City shall inform the Trustee in writing within ten (10) days of any change, amendment, or modification of its place of organization, form of organization, or change in the City's name (including, but not by way of limitation, resulting from mergers, acquisitions, tax free exchanges, or other transactions) (all of which are sometimes referred to as "Corporate Changes," regardless of whether the City is organized as a corporation, partnership, limited partnership, limited liability company, limited liability partnership, sole proprietorship, or other form of entity recognized under the law of the state in which the City is organized), and the City shall cooperate with the Trustee by executing as soon as reasonably practicable after receipt thereof any and all amendments to UCC financing statements deemed necessary by the Trustee to insure that the security interest of the Trustee in any and all collateral of the City remains fully perfected. The Trustee may rely on opinions of bond counsel as to whether any or all UCC financing statements of the City need to be amended as a result. If the City fails to provide information to the Trustee about Corporate Changes on a timely basis, the Trustee shall not be liable or responsible to any party for any failure to maintain a perfected security interest in the City's collateral, for which the Trustee needed to have information about the Corporate Changes. The Trustee shall have no duty to inquire about Corporate Changes if the City does not inform the Trustee of such Corporate Changes, the parties acknowledging and agreeing that it would not be feasible or practical for the Trustee to search for information on the Corporate Changes if such information is not provided by the City.

The City shall provide the Trustee with copies of any Debtor Termination Statement (as such term is defined in Section 11.4 hereof) the City files in violation of the covenant contained in Section 11.4 hereof.

Section 11.3. Purchase of Leased Premises. Except during the continuance of an event of default, the City shall have the option of purchasing the Leased Premises, as follows:

(a) The City shall give written notice to the Authority and to the Trustee of its intention to purchase the Facilities, stating therein a closing date not less than forty (40) nor more than ninety (90) days after the date the notice is mailed, and the City shall make arrangements satisfactory to the Trustee for the giving of any required notice of redemption or notice of defeasance of the Bonds in connection with the purchase.

(b) The City shall pay to the Trustee, on or before the closing date, an amount equal to the Purchase Price for the Leased Premises.

(c) On the closing date, a closing shall be held at the principal office of the Trustee, or any other office mutually agreed upon. At the closing the City and Trustee shall, upon acknowledgment of receipt of the Purchase Price, execute and deliver to the City a quitclaim deed or bill of sale, as appropriate, to the Leased Premises, and a release or termination of the Ground Lease, and such other documents as the City reasonably determines is necessary to transfer unencumbered title to Land and Leased Premises.

At such time as all of the Bonds have been fully paid or provision for payment thereof has been made in accordance with the provisions of the Indenture, and all expenses of the Authority and Trustee have been paid or provided for to the date of such full payment of the Bonds, the City shall be deemed to have purchased all right, title and interest of the Authority in the Leased Premises, this Lease shall be deemed terminated, and title to the Leased Premises shall automatically vest in the City. Nevertheless, the Authority and the Trustee, at the expense of the City, shall execute such bills of sale, quitclaim deeds or other documents of conveyance as shall be reasonably necessary to convey their interest in the Facilities to the City.

Section 11.4. Negative Covenant Regarding Filing of Debtor Termination Statement. The City shall not file or record any instrument or document with any entity, officer or office having responsibility for recording of security interests which purports to terminate, vitiate or extinguish a security interest in the collateral in which the Trustee holds a security interest (a "Debtor Termination Statement").

ARTICLE XII

ADMINISTRATIVE PROVISIONS

Section 12.1. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given on the earlier of (i) delivery or (ii) three days following deposit in the United States mail in certified form with postage fully prepaid to the addresses shown in the first paragraph hereof. The Authority and the City, by notice given hereunder, and to the Trustee, may designate different addresses to which subsequent notices, certificates or other communications will be sent. Any notice provided hereunder by the City or the Authority shall also be sent to Trustee at the address given in Section 148 of the Trust Indenture.

Section 12.2. Binding Effect. This Lease shall inure to the benefit of and shall be binding upon the Authority and the City and their respective successors and assigns.

Section 12.3. Severability. In the event any provision of this Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 12.4. Amendments, Changes and Modifications. This Lease may be amended or any of its terms modified only by written amendment authorized and executed by the City and the Authority, and in accordance with Article XII of the Trust Indenture.

Section 12.5. Further Assurances and Corrective Instruments. The Authority and the City agree that they will, if necessary, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Facilities hereby sold or intended so to be or for carrying out the expressed intention of this Lease.

Section 12.6. Execution Counterparts. This Lease may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 12.7. Applicable Law. This Lease shall be governed by and construed in accordance with the laws of the State.

Section 12.8. Captions. The captions or headings in this Lease are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Sections of this Lease.

IN WITNESS WHEREOF, the Authority has caused this Lease to be executed in its corporate name by its duly authorized officers and the City has caused this Lease to be executed in its name by its duly authorized officers as of the date first above written.

EDINA HOUSING AND REDEVELOPMENT
AUTHORITY

By _____
Chair

Attest: _____
Secretary

CITY OF EDINA, MINNESOTA

By _____
Mayor

And _____
City Manager

STATE OF MINNESOTA)
) ss.
HENNEPIN COUNTY)

This instrument was acknowledged before me on this _____ day of July, 2014, by James Hovland and Ann Swenson, the Chair and Secretary, respectively, of the Edina Housing and Redevelopment Authority, Minnesota, a Minnesota political subdivision, on behalf of the political subdivision.

Notary Public

STATE OF MINNESOTA)
) ss.
HENNEPIN COUNTY)

This instrument was acknowledged before me on this _____ day of July, 2014, by James Hovland and Scott Neal, the Mayor the City Manager, respectively, of the City of Edina, Minnesota, a Minnesota municipal corporation, on behalf of the corporation.

Notary Public

EXHIBIT A

LEGAL DESCRIPTION OF THE LAND

The real property located in Hennepin County, Minnesota described as follows:

EXHIBIT B

DESCRIPTION OF FACILITIES

EXHIBIT C

COMPLETION CERTIFICATE

The undersigned, being a duly appointed City Representative under the Lease Agreement, dated as of July 1, 2014 (the Lease), between the Edina Housing and Redevelopment Authority (the Authority) and the City of Edina, Minnesota (the City), hereby certifies on behalf of the City with respect to the Facilities to be acquired and constructed under said Lease, that the Facilities has been acquired and constructed pursuant to and in accordance with said Lease and the Plans and Specifications, and is now available for occupancy and/or use by the City.

Dated _____, 201__

CITY OF EDINA, MINNESOTA

By _____
City Representative

TRUST INDENTURE
(RECREATIONAL FACILITIES)

between

EDINA HOUSING AND REDEVELOPMENT AUTHORITY

and

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

Dated as of July 1, 2014

Relating to:

PUBLIC PROJECT REVENUE BONDS, SERIES 2014
(CITY OF EDINA ANNUAL APPROPRIATION LEASE OBLIGATIONS)

This instrument drafted by:
Dorsey & Whitney LLP (JPG)
50 South Sixth Street, Suite 1500
Minneapolis, Minnesota 55402

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TRUST INDENTURE
(RECREATIONAL FACILITIES)

THIS TRUST INDENTURE (RECREATIONAL FACILITIES), dated as of the 1st day of July, 2014, by and between the EDINA HOUSING AND REDEVELOPMENT AUTHORITY, a public body corporate and politic of the State of Minnesota (the "Authority") and U.S. BANK NATIONAL ASSOCIATION, a national banking association, having its main office and place of business in the City of St. Paul, Minnesota (the "Trustee").

W I T N E S S E T H:

WHEREAS, the Authority is a body corporate and politic duly created and existing under the laws of Minnesota; and

WHEREAS, as authorized by Sections 469.012, subdivision 1(7) and 469.003, and Chapter 475, Minnesota Statutes, the Authority has agreed to issue its revenue bonds to finance a portion of the costs of acquiring, constructing and equipping additional recreational Facilities of the City consisting of a sports dome, outdoor refrigerated ice rink and improvements to Braemar Arena and Pamela Park (the Facilities, as herein defined) on certain land (the Land, as herein defined) a portion of which is made available by the City of Edina (the "City") pursuant to the Ground Lease, dated as of July 1, 2014, between the City, as lessor, and the Authority, as lessee (the "Ground Lease"), and to lease the portion of the Facilities subject to the Ground Lease to the City pursuant to and in accordance with a Lease Agreement dated as of July 1, 2014, between the Authority and the City (the "Lease"); and

WHEREAS, the Authority has deemed it advisable to enter into this Indenture and has duly authorized and directed the issuance of bonds in the aggregate principal amount of \$ _____ to be designated "Public Project Revenue Bonds, Series 2014 (City of Edina Annual Appropriation Lease Obligations)" (the "Series 2014 Bonds"), which shall be fully registered bonds as in this Indenture hereinafter provided; and

WHEREAS, the proceeds of the Series 2014 Bonds, together with any other required funds, will be used for the specific authorized purpose of providing funds to pay Project Costs (as herein defined); and

WHEREAS, the Lease requires the City to make rental payments thereunder in amounts and at times sufficient to pay the principal of, premium, if any, on and interest on the Series 2014 Bonds when due; and

WHEREAS, the execution and delivery of this Indenture and the Lease and the issuance of the Series 2014 Bonds have been in all respects duly and validly authorized by the Board of Commissioners of the Authority pursuant to a bond resolution adopted by the Board of Commissioners of the Authority on June 17, 2014 (the "Bond Resolution"); and

WHEREAS, all conditions, acts and things necessary and required by the Constitution and Laws of the State of Minnesota, or otherwise, to exist, to have happened or to have been performed precedent to and in the execution and delivery of this Indenture, and in the issuance of the Series 2014 Bonds, do exist, have happened or have been performed in regular form, time and manner, and the execution and delivery of this Indenture have been in all respects duly authorized; and

WHEREAS, the Trustee has accepted the trusts created by this Indenture and in evidence thereof has joined in the execution hereof.

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

GRANTING CLAUSES

That the Authority, in order to secure the payment of the principal of, premium (if any) and interest on the Bonds issued under this Indenture according to their tenor and effect and the performance and observance of each and all of the covenants and conditions herein and therein contained, and for and in consideration of the premises and of the purchase and acceptance of the Bonds by the respective purchaser or purchasers and Owners or Holders thereof, and for other good and valuable considerations, the receipt whereof is hereby acknowledged, has executed and delivered this Indenture and has granted, bargained, sold, assigned, transferred, conveyed, warranted, pledged and set over, and by these presents does hereby grant, bargain, sell, assign, transfer, convey, warrant, pledge and set over, absolutely unto the Trustee, and to its successor or successors in the trust hereby created and to its or their assigns forever:

I.

All of the right, title and interest of the Authority in the Ground Lease and the Lease (except for the Authority's rights to indemnification and reimbursement of expenses).

II.

A first lien on and pledge of (i) the money and investments in the Bond Fund covenanted to be created and maintained under this Indenture, and (ii) the moneys and investments in the Construction Fund established under this Indenture not paid out to meet Project Costs.

III.

Any and all other property of every name and nature from time to time hereafter by delivery or by writing of any kind conveyed, mortgaged, assigned or transferred, or in which a security interest is granted, by the Authority or the City or by anyone on behalf of them or with their written consent, to the Trustee, which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same to the terms hereof.

TO HAVE AND TO HOLD all and singular the said property hereby conveyed and assigned, or agreed or intended so to be, to the Trustee, its successor or successors in trust and its and their assigns, FOREVER.

IN TRUST NEVERTHELESS, upon the terms and trust herein set forth, for the equal and proportionate benefit, security and protection of all Holders of the Bonds issued or to be issued under and secured by this Indenture, without preference, priority or distinction as to lien or otherwise of any of the Bonds over any of the others;

PROVIDED, HOWEVER, that if the Authority, its successors or assigns, shall well and truly pay or cause to be paid the principal of the Bonds and the premium (if any) and interest due or to become due thereon, at the times and in the manner mentioned in the Bonds, according to the true intent and meaning thereof, or shall provide, as permitted hereby, for the payment thereof by depositing with the Trustee sums sufficient to pay the entire amount due or to become due thereon, and shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of this Indenture to be kept, performed and observed by it and shall pay to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof; then upon such final payment this Indenture and the rights hereby granted shall cease, determine and be void; otherwise, this Indenture to be and remain in full force and effect.

THIS INDENTURE FURTHER WITNESSETH, and it is expressly declared that, all Bonds issued and secured hereunder are to be issued, authenticated and delivered and all said property hereby assigned or pledged is to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the Authority has agreed and covenanted and does hereby agree and covenant with the Trustee and with the respective Holders from time to time, of the said Bonds, as follows:

ARTICLE I DEFINITIONS AND INTERPRETATION

Section 1.1 Definitions. Unless the context otherwise requires, the terms defined in this Article I and in the recitals and succeeding Articles of this Indenture shall, for all purposes of this Indenture and of any indenture supplemental hereto, have the meanings herein specified, such definitions to be equally applicable to both the singular and plural forms of any of the terms defined:

Additional Bonds: Any additional Bonds issued pursuant to the terms and conditions of Section 2.10 of this Indenture.

Architect: A licensed architect in the State of Minnesota to be selected by the City to prepare Plans and Specifications for the Facilities.

Authority Representative: The Chair or Secretary of the Authority or any other person authorized to act on behalf of Authority under or with respect to this Indenture, as evidenced by a certificate conferring such authority executed by the Chair, given to the Trustee and the City.

Bond Fund: The Bond Fund created under Section 5.1 of this Indenture.

Bond Resolution: The resolutions of the Authority adopted by the Board of Commissioners of the Authority on June 17, 2014, authorizing the issuance and sale of the Series 2014 Bonds, as the same may be amended, modified or supplemented by any amendments or modifications thereof.

Bonds: The Series 2014 Bonds and any Additional Bonds.

Business Day: Any day other than a Saturday, Sunday, or other day on which commercial banks in the city in which the principal corporate trust office of the Trustee is located are not open for business.

Certificate: A certification in writing required or permitted by the provisions of the Lease or this Indenture, signed and delivered to the Trustee or other proper person or persons.

City: City of Edina, Minnesota, and its permitted successors and assigns under the Lease.

City Representative: The City Manager or any person authorized by law to act on behalf of the City under or with respect to the Lease, as evidenced by a certificate conferring such authority executed by the City Manager and given to the Trustee and the Authority.

Completion Certificate: A certificate in the form attached as Exhibit C to the Lease executed by the City, stating that the Facilities has been completed in accordance with the Plans and Specifications.

Completion Date: With respect to the Facilities, the date upon which the Completion Certificate is issued with respect thereto by the City and delivered to the Authority and the Trustee.

Construction Fund: The Construction Fund created under Section 4.2 of this Indenture.

Default: Default by the Authority in the performance or observance of any of the covenants, agreements or conditions on its part contained in this Indenture, exclusive of any notice or period of grace required to constitute a default an "Event of Default" as described in Section 7.01 hereof.

Event of Default: An Event of Default described in Section 7.1 hereof which has not been cured.

Facilities: The recreational Facilities, including fixtures and furnishings, as more fully described in Exhibit B to the Ground Lease.

Fiscal Year: The fiscal year of the Authority; initially, the 12-month period commencing on January 1 in each year.

Ground Lease: The Ground Lease, dated as of July 1, 2014, between the City, as lessor, and the Authority, as lessee, pursuant to which the City will ground lease a portion of the Land to the Authority, and any duly authorized and executed amendment thereto.

Holder, Bondholder or Owner: The person or persons in whose name any Bond shall be registered in the registration books maintained by the Trustee on behalf of the Authority.

Indenture: This Trust Indenture under which the Bonds are authorized to be issued, and any amendments or supplements hereto entered into in accordance with the provisions hereof.

Independent Counsel: An attorney or firm of attorneys duly admitted to practice law before the highest court of any state and not an officer or full-time employee of the Authority or the City.

Interest Payment Date: The stated maturity of an installment of interest on any of the Bonds.

Internal Revenue Code: The Internal Revenue Code of 1986, as amended from time to time.

Land: The real estate described on Exhibit A hereto, upon which the Facilities are located.

Lease: The Lease Agreement, dated as of July 1, 2014, between the Authority, as lessor, and the City, as lessee, as the same may be amended pursuant thereto and hereto.

Opinion of Counsel: A written opinion of counsel (who need not be Independent Counsel unless so specified) appointed by the City or Authority and acceptable to the Trustee or appointed by the Trustee.

Outstanding: When used as of any particular time with reference to Bonds, means (subject to the provisions of Section 9.3 of this Indenture pertaining to Bonds held by the Authority and the City) all Bonds theretofore authenticated and delivered by the Trustee under this Indenture except: (i) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation; (ii) Bonds for the payment or redemption of which funds or direct obligations of or obligations fully guaranteed by the United States of America in the necessary amount shall have theretofore been deposited with the Trustee (whether upon or prior to the maturity or the redemption date of such Bonds); provided that if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given pursuant to Article III of this Indenture, or provision satisfactory to the Trustee shall have been made for the giving of such notice; and (iii) Bonds in lieu of or in substitution for which other Bonds shall have been authenticated and delivered by the Trustee pursuant to the terms of Section 2.08 hereof pertaining to replacement of Bonds.

Plans and Specifications: Architectural and engineering drawings and specifications prepared by the Architect describing the Facilities and any changes thereto approved by the City.

Predecessor Bonds: Every previous Bond evidencing all or a portion of the same debt as that evidenced by a particular Bond, including Bonds exchanged pursuant to Section 2.05 hereof, and for purposes of this definition, any Bond authenticated and delivered under Section 2.08 hereof in lieu of a lost, destroyed or stolen Bond shall be deemed to evidence the same debt as the lost, destroyed or stolen Bond.

Principal Payment Date: The stated maturity of principal of any Bond.

Project Costs: The costs defined in Section 4.3 of this Indenture.

Purchase Price: The amount necessary to defease to the earliest permissible redemption date the remaining Outstanding principal amount of Bonds, together with an amount equal to the Authority's and Trustee's fees and expenses in connection with such defeasance and redemption.

Qualified Investments: Any security or investment in which public funds of the Authority may be invested in under Minnesota Statutes, Section 118A.04 or other applicable Minnesota law.

Redeem or Redemption: Includes and means "prepay" or "prepayment," as the case may be.

Rental Payment: Any payment due from the City to the Authority under Section 5.1 of the Lease.

Responsible Officer: As to any Trustee, the chair of the Board of Commissioners, the president, every vice president, every assistant vice president, the cashier, every assistant cashier, every corporate trust officer, and every officer and assistant officer of such Trustee, other than those specifically above mentioned, to whom any corporate trust matter is referred because of such person's knowledge of, and familiarity with, a particular subject.

Series 2014 Bonds: The Public Project Revenue Bonds, Series 2014 (City of Edina Annual Appropriation Lease Obligations), authorized by this Indenture and the Bond Resolution and described in Section 2.01 of this Indenture.

Trust Estate: The interest of the Authority in the Lease assigned under Granting Clause I of this Indenture; the revenues, moneys, investments, contract rights, general intangibles and instruments and proceeds and products and accessions thereof as set forth in Granting Clause II of this Indenture; and additional property held by the Trustee pursuant to Granting Clause III of this Indenture.

Trustee: The trustee at the time serving as such under this Indenture.

Section 1.2 Additional Provisions as to Interpretation. All references herein to "Articles", "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Indenture; and the words "herein", "hereof", "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision hereof.

Any terms defined in the Lease, but not defined herein, shall have the same meaning herein unless the context hereof clearly requires otherwise.

This Indenture is governed by and shall be construed in accordance with the laws of Minnesota.

ARTICLE II FORM, EXECUTION AND REGISTRATION OF BONDS

Section 2.1 Form of Series 2014 Bonds. (a) The Series 2014 Bonds to be issued and secured under this Indenture shall each be designated "Public Project Revenue Bond, Series 2014 (City of Edina Annual Appropriation Lease Obligations)." The Series 2014 Bonds, forms of assignment and certificates of Trustee shall be substantially in the following form:

(Form of Series 2014 Bond)

No. R. _____

\$

UNITED STATES OF AMERICA
STATE OF MINNESOTA
CITY OF EDINA, COUNTY OF HENNEPIN

EDINA HOUSING AND REDEVELOPMENT AUTHORITY

PUBLIC PROJECT REVENUE BOND, SERIES 2014
(CITY OF EDINA ANNUAL APPROPRIATION LEASE OBLIGATIONS)

<u>Rate</u>	<u>Maturity</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
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July 15, 2014

REGISTERED OWNER: CITY OF EDINA, MINNESOTA

PRINCIPAL AMOUNT:

THE EDINA HOUSING AND REDEVELOPMENT AUTHORITY, a public body corporate and politic of the State of Minnesota (the "Authority"), for value received, hereby promises to pay to the registered owner named above, or registered assigns, solely from the sources hereinafter identified, the principal amount set forth above on the maturity date specified above, and to pay to the registered owner hereof interest on such principal amount from such sources at the interest rate specified above from the date of original issue specified above or from the most recent Interest Payment Date to which interest has been paid or duly provided for, as specified below, on February 1 and August 1 of each year, commencing February 1, 2015, until said principal amount is paid. Interest shall be computed on the basis of a three hundred sixty (360) day year composed of twelve (12) thirty (30) day months and shall be payable to the person in whose name this Bond is registered at the close of business on the fifteenth day (whether or not a Business Day) of the month preceding such Interest Payment Date at such person's address set forth on the registration books maintained by the Trustee hereinafter designated. The interest hereon and, upon presentation and surrender at the principal office of the agent of the Trustee described below, the principal hereof are payable in lawful money of the United States of American by check or draft drawn on U.S. Bank National Association, of St. Paul, Minnesota as trustee designated under the Trust Indenture referred to below (the "Trustee"). Any such interest not punctually paid or provided for will cease to be payable to the registered owner as of a regular record date and such defaulted interest may be paid to the person in whose name this Bond shall be registered at the close of business on a special record date for the payment of such defaulted interest established by the Trustee pursuant to the Indenture.

Notwithstanding any other provisions of this Bond, so long as this Bond is registered in the name of Cede & Co., as nominee of The Depository Trust Company, or in the name of any other nominee of The Depository Trust Company or other securities depository, the Trustee shall pay all principal of and interest on this Bond, and shall give all notices with respect to this Bond, only to Cede & Co. or other nominee in accordance with the operational arrangements of The Depository Trust Company or other securities depository as agreed to by the Authority.

This Bond is issued under Minnesota Statutes, Chapter 469 and Chapter 475, as amended, and in conformity with the provisions, restrictions and limitations thereof. This Bond does not constitute an indebtedness of the Authority, the City of Edina, Minnesota (the "City"), the County of Hennepin (the County), the State of Minnesota (the "State") or any other political subdivision within the meaning of any state constitutional provision or statutory limitation, nor does this Bond give rise to a charge against the general credit or properties or taxing powers of the Authority, the City, the County, the State or other political subdivision and does not grant to the registered owner of this Bond any right to have the Authority, the City, the County, the State or other political subdivision levy any taxes or appropriate any funds for the payment of the principal hereof or interest hereon, nor is this Bond a general obligation of the Authority, the City, the County, the State or other political subdivision or the individual officers or agents thereof. This Bond and interest hereon are payable solely and only from the moneys received under the Lease (as hereinafter defined), or held by the Trustee in a Fund appropriated to the payment of the Bonds of this series under the Indenture (as hereinafter defined), including Rental Payments to be made by the City under such Lease.

This Bond is one of a duly authorized series of special obligation Bonds of an aggregate principal amount of \$ _____ (the "Series 2014 Bonds"), all of which have been authorized by law to be issued and have been issued or are to be issued for the purpose of financing the costs of acquiring, constructing and equipping additional recreational Facilities of the City (the "Facilities") which are to be leased to the City by the Authority pursuant to a Lease Agreement, dated as of July 1, 2014 (the "Lease"), between the Authority, as lessor, and the City, as lessee. The Series 2014 Bonds are issued pursuant to a Bond Resolution of the Authority duly adopted June 17, 2014, and a Trust Indenture (Recreational Facilities), dated as of July 1, 2014 (the "Indenture"), duly executed and delivered by the Authority to the Trustee. The Series 2014 Bonds are equally and ratably secured by the Lease, the Indenture and the Bond Resolution, to which Lease, Indenture and Bond Resolution and amendments thereof reference is hereby made for a description and limitation of the revenues pledged to secure the payment of the Series 2014 Bonds, the nature and extent of the security thereby created, the rights of the registered owners of the Series 2014 Bonds, the rights, duties and immunities of the Trustee, and the rights, immunities and obligations of the Authority thereunder. **The obligation of the City under the Lease to make Rental Payments sufficient to pay the principal of and interest on the Series 2014 Bonds when due is a limited obligation of the City, subject to the annual appropriation in each fiscal year by the City Board of funds sufficient to pay such Rental Payments. The City is not obligated to make any such appropriation and has the right to cancel and terminate the Lease at the end of any fiscal year of the City if the City Council does not appropriate moneys sufficient to pay the Rental Payments coming due in the next**

fiscal year. Certified copies of the Bond Resolution and executed counterparts of the Indenture and Lease are on file at the principal corporate trust office of the Trustee.

The Series 2014 Bonds are subject to optional redemption in whole or in part, and Series 2014 Bonds maturing on February 1, 20__ are subject to mandatory sinking fund redemption as provided in Section 3.1 of the Indenture, and if in part, in such order of maturity dates as the Authority may determine and by lot or other manner deemed fair as to Bonds maturing on the same date, at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest to the redemption date. Notice of any such redemption shall be published if, and to the extent, then required by law, and shall also be given to the registered owner of each Bond to be redeemed by first-class mail, addressed to such owner at the owner's registered address, not later than thirty (30) days prior to the date fixed for redemption. On or prior to the date fixed for redemption, funds are required to be deposited with the Trustee sufficient to pay the Bonds called and accrued interest thereon. Upon the happening of the above conditions, Bonds thus called shall not bear interest after the redemption date and, except for the purpose of payment from the funds so deposited, shall no longer be protected by the Indenture.

This Bond is transferable, as provided in the Indenture, only upon books of the Authority kept at the principal office of the agent of the Trustee by the registered owner hereof in person or by the owner's duly authorized attorney, upon surrender of this Bond for transfer at the principal corporate trust office of the Trustee, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Trustee duly executed by the registered owner hereof or the owner's duly authorized attorney, and, upon payment of any tax, fee or other governmental charge required to be paid with respect to such transfer, one or more fully registered Bonds of this series of the same principal amount and interest rate will be issued to the designated transferee or transferees.

The Series 2014 Bonds are issuable only as fully registered bonds without coupons in denominations of \$5,000 or any integral multiple thereof of single maturities. As provided in the Indenture and subject to certain limitations therein set forth, the Bonds of this series are exchangeable for a like aggregate principal amount of Bonds of this series of a different authorized denomination, as requested by the registered owner or the owner's duly authorized attorney upon surrender thereof to the Trustee at its principal corporate trust office.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions and things required to be done precedent to and in the issuance of this Bond and the series of which it is a part have been properly done, have happened and have been performed in regular and due time, form and manner as required by law.

This Bond shall not be valid nor become obligatory for any purpose under the Indenture until it shall have been authenticated by the execution of the Certificate hereon endorsed by the manual signature of an authorized representative of the Trustee.

IN WITNESS WHEREOF, the Housing and Redevelopment Authority of the City of Edina, Minnesota, by its Board of Commissioners, has caused this Bond to be executed in its name by the facsimile signatures of its Chair and Secretary.

EDINA HOUSING AND REDEVELOPMENT
AUTHORITY

Chair

Secretary

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within mentioned Indenture.

Date: _____

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By _____
Authorized Representative

The following abbreviations, when used in the inscription on the face of this Certificate, shall be construed as though they were written out in full according to the applicable laws or regulations:

TEN COM -- as tenants in common

UTMA as Custodian for
(Cust) (Minor)
under Uniform Transfers to Minors Act
(State)

TEN ENT -- as tenants by the entireties

JT TEN -- as joint tenants with right of survivorship and not as tenants in common

Additional abbreviations may also be used.

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____ the within Certificate and all rights thereunder, and does hereby irrevocably constitute and appoint _____ attorney to transfer the said Certificate on the books kept for registration of the within Certificate, with full power of substitution in the premises.

Dated: _____

NOTICE: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Certificate in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed: _____

Signature(s) must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Registrar, which requirements include membership or participation in STAMP or such other "signature guaranty program" as may be determined by the Registrar in addition to or in substitution for STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE: _____

Section 2.2 Maturities, Numeration and Interest Payment Dates. The Series 2014 Bonds shall be in the denomination of \$5,000 or any integral multiple thereof, initially numbered R-1 upwards in order of issuance or in such other manner as the Trustee may determine, and shall bear a date of original issue as of July 15, 2014. No Series 2014 Bond shall represent principal payable or maturing in different years. The Series 2014 Bonds shall bear interest payable semiannually on February 1 and August 1 of each year, commencing February 1, 2015, from their date of original issue or the most recent Interest Payment Date to which interest has been paid or duly provided for. The principal and redemption price of the Series 2014 Bonds shall be payable to the Owner upon presentation and surrender at the principal office of the Trustee in such coin or currency of the United States of America as may be, on the respective dates of payment thereof, legal tender for the payment of public and private debts, and interest on Series 2014 Bonds shall be paid by check or draft mailed to the Owner at the Owner's registered address. The Regular Record Date referred to in Section 2.5 for the payment of interest on the Series 2014 Bonds payable, and punctually paid or duly provided for, on any Interest Payment Date shall be the 15th day (whether or not a Business Day) of the calendar month next preceding such Interest Payment Date. The Series 2014 Bonds shall be in the aggregate principal amount of _____ Million _____ Hundred _____ Thousand Dollars (\$ _____), and shall mature on February 1 in the years and amounts and shall bear interest at the rates per annum, according to years of maturity, as follows:

<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Year</u>	<u>Amount</u>	<u>Rate</u>
2016			2026		
2017			2027		
2018			2028		
2019			2029		
2020			2030		
2021			2031		
2022			2032		
2023			2023		
2024			2034		
2025			2035		

Section 2.3 Execution of Bonds. The Bonds shall be signed in the name of the Authority by the manual or facsimile signatures of the Chair and Secretary of the Authority and said signatures shall be authenticated by the Trustee, which is hereby designated as authenticating agent. The seal of the Authority, if any, need not be affixed to or imprinted on the Bonds. In the event that any of the officers who shall have signed any of the Bonds shall cease to be officers of the Authority before the Bonds shall have been authenticated or delivered by the Trustee, or issued by the Authority, such Bonds may, nevertheless, be authenticated, delivered, and issued, and upon such authentication, delivery and issue, shall be binding upon the Authority as though those officers who signed the same had continued to be such officers of the Authority; and, also, any Bond may be signed on behalf of the Authority by such person who, at the actual date of execution of such Bond, shall be the proper officer of the Authority, although at the date of such Bond such person shall not have been such an officer of the Authority. Upon the execution and delivery of this Indenture, the Authority shall execute and deliver the Series 2014 Bonds to the Trustee for authentication.

Section 2.4 Authentication of Bonds. No Bond shall be valid or obligatory for any purpose or shall be entitled to any right or benefit hereunder or under the Lease, unless an authorized signatory of the Trustee shall manually endorse and execute on such Bond a certificate of authentication substantially in the form of the Trustee's certificate set forth in the recitals hereof. Such Trustee's certificate upon any Bond executed on behalf of the Authority shall be conclusive evidence that the Bond so authenticated has been duly issued under this Indenture and that the Holder thereof is entitled to the benefits of this Indenture and the Lease.

No Bonds shall be authenticated by the Trustee except in accordance with this Article.

The Trustee shall not be required to authenticate any Bond or Bonds unless provided with the documents referred to in Section 2.9 hereof.

Section 2.5 Registration, Transfer and Exchange. As long as any of the Bonds issued hereunder shall remain outstanding, the Authority shall maintain and keep at the office of the Trustee as paying agent, records for the payment of the principal of and interest on such Bonds,

as in this Indenture provided, and for the registration and transfer of such Bonds, and shall also keep at said office of the Trustee books for such registration and transfer. The Authority does hereby appoint the Trustee, and its successors in the trust from time to time, as its agent to maintain said office and agency at the office of the Trustee.

Upon surrender for transfer of any fully registered Bond at the office of the Trustee with a written instrument of transfer satisfactory to the Trustee, duly executed by the Owner or the Owner's duly authorized attorney, and upon payment of any tax, fee or other governmental charge required to be paid with respect to such transfer, the Authority shall execute and the Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more fully registered Bonds of the same series, of any authorized denominations and of a like aggregate principal amount, interest rate and maturity.

Except as the right of exchange may be limited as to Bonds of any series, fully registered Bonds, upon surrender thereof at the office of the Trustee, may, at the option of the Owner thereof, be exchanged for an equal aggregate principal amount of fully registered Bonds of the same series, maturity and interest rate of any authorized denominations.

In all cases in which the privilege of exchanging Bonds or transferring fully registered Bonds is exercised, the Authority shall execute and the Trustee shall deliver Bonds in accordance with the provisions of this Indenture. For every such exchange or transfer of Bonds, whether temporary or definitive, the Authority or the Trustee may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. Notwithstanding any other provision of this Indenture, the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Authority or the Trustee incurred in connection therewith (except any applicable tax, fee or other governmental charge) shall be paid by the City pursuant to the Lease. The Authority and the Trustee shall not be obligated to make any such exchange or transfer of Bonds during the 15 days next preceding the date of the first publication or the mailing (if there is no publication) of notice of redemption in the case of a proposed redemption of Bonds. The Authority and Trustee shall not be required to make any transfer or exchange of any Bonds called for redemption.

Section 2.6 Payment of Interest on Series 2014 Bonds; Interest Rights Preserved.
Interest on any Bond which is payable, and is punctually paid or duly provided for on any Interest Payment Date shall be paid to the person in whose name that Bond (or one or more Predecessor Bonds) is registered at the close of business on the Regular Record Date for such interest specified in the provisions of this Indenture creating such series.

Any interest on any Bond which is payable, but is not punctually paid or duly provided for, on any Interest Payment Date (herein called "Defaulted Interest") shall forthwith cease to be payable to the Holder on the relevant Regular Record Date solely by virtue of such Holder having been such Holder; and such Defaulted Interest may be paid by the Authority as provided in Subsection A or B below:

A. The Authority may elect to make payment of any Defaulted Interest on the fully registered Bonds of any series to the persons in whose names such Bonds (or their respective Predecessor Bonds) are registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Authority shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment (which date shall be such as will enable the Trustee to comply with the next sentence hereof), and at the same time the Authority shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest as in this Subsection provided and not to be deemed part of the Trust Estate. Thereupon the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 nor less than 10 days prior to the date of the proposed payment and not less than 10 days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the Authority of such Special Record Date and, in the name of the Authority and at the expense of the City, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, to each Holder of a fully registered Bond of such series at his address as it appears in the registration books not less than 10 days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been mailed as aforesaid, such Defaulted Interest shall be paid to the Persons in whose names the Bonds of such series (or their respective Predecessor Bonds) are registered on such Special Record Date and shall no longer be payable pursuant to the following Subsection B.

B. The Authority may make payment of any Defaulted Interest on the Bonds of any series in any other lawful manner, if, after notice given by the Authority to the Trustee of the proposed payment pursuant to this Subsection, such payment shall be deemed practicable by the Trustee.

Subject to the foregoing provisions of this Section, each Bond delivered under this Indenture upon transfer of or in exchange for or in lieu of any other Bond shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bond and each such Bond shall bear interest from such date that neither gain nor loss in interest shall result from such transfer, exchange or substitution.

Section 2.7 Ownership of Bonds. The Authority and the Trustee and their respective successors, each in its discretion, may deem and treat the person in whose name any Bond shall for the time being be registered as the absolute owner thereof for all purposes, and neither the Authority nor the Trustee nor their respective successors shall be affected by any notice to the contrary. Payment of or on account of the principal of and interest on any such Bond shall be made only to or upon the order of the Owner thereof, but such registration may be changed as

above provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

Section 2.8 Reissuance of Mutilated, Destroyed, Stolen or Lost Bonds. In case any outstanding Bond shall become mutilated or be destroyed, stolen or lost, the Trustee shall authenticate and deliver a new Bond of like tenor, number and amount as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, upon filing with the Trustee evidence satisfactory to the Authority and the Trustee that such Bond has been destroyed, stolen or lost and proof of ownership thereof, and upon furnishing the Authority, the Trustee and the City with indemnity satisfactory to them and complying with such other reasonable regulations as the Trustee may prescribe and paying such reasonable expenses as the Authority, the Trustee and the City may incur in connection therewith. In the event any such Bond shall have matured, instead of issuing a new Bond, the Authority may pay the same without surrender thereof.

Section 2.9 Conditions for Authentication of Series 2014 Bonds. The Trustee shall not authenticate and deliver the Series 2014 Bonds to be issued and delivered pursuant to the Indenture unless theretofore or simultaneously therewith there shall have been delivered to the Trustee the following:

- (a) a certified copy of the Bond Resolution authorizing the issuance of the Series 2014 Bonds and the execution and delivery of the Ground Lease, the Lease and this Indenture;
- (b) a certified copy of the resolution adopted by the governing body of the City approving the issuance of the Series 2014 Bonds and the terms of the Indenture and authorizing the execution and delivery of the Ground Lease and Lease by the City;
- (c) executed counterparts of the Ground Lease, the Lease and the Indenture;
- (d) the manually signed approving opinion of Dorsey & Whitney LLP, Minneapolis, Minnesota, as Bond Counsel for the Authority, concerning the validity and legality of the Series 2014 Bonds; and
- (e) such further certifications, documents and Opinions of Counsel as Bond Counsel may require.

Section 2.10 Authorization of Additional Bonds. In addition to the Series 2014 Bonds above described, the Authority may in its discretion, upon request of the City, issue Additional Bonds to (1) provide funds to complete the Facilities, (ii) provide funds for additions to or further improvements of the Facilities, and (iii) subject to Section 6.2 hereof and applicable law, refund or advance refund any Bonds then Outstanding and, in case of an advance refunding, the interest thereon to maturity or a specified redemption date. Any such Additional Bonds shall be authorized by resolution of the Authority and described in a supplemental indenture executed by the Authority and the Trustee and which, when so issued, authorized and described, shall be

secured by this Indenture and the Trust Estate on a parity with the Bonds then Outstanding under this Indenture; provided, that no such Additional Bonds shall be issued under the Indenture or secured by the Trust Estate on a parity with the Outstanding Bonds unless the following conditions are met:

(a) There shall have been furnished to the Trustee a Certificate of an Authority Representative and a Certificate of a City Representative to the effect that the Lease is in effect and no "event of default" (as such term is defined in the Lease) exists thereunder which shall not be cured upon the issuance of the Additional Bonds; and

(b) There shall have been furnished to the Trustee an Opinion of Counsel to the effect that the issuance of the Additional Bonds will not adversely affect the exemption from federal income taxation of the interest on any Outstanding Bonds; and

(c) There shall have been furnished to the Trustee a supplement to the Lease providing for additional Rental Payments sufficient to pay the principal of and interest on the Additional Bonds when due; and

(d) There shall have been furnished to the Trustee a Certificate of an Authority Representative to the effect that the proceeds of the Additional Bonds, together with any additional funds supplied or to be supplied by the Authority or City will be sufficient to complete the Facilities, the cost of the improvement to the Facilities or the cost of the refunding, as the case may be; and

(e) If the Additional Bonds are issued for an advance refunding described in clause (iii) above, a report of an independent accountant to the effect that (A) the proceeds (excluding accrued interest but including any premium) of the Additional Bonds, plus any moneys to be withdrawn from the Bond Fund for such purpose and any other funds deposited with the Trustee for such purpose, will be not less than an amount sufficient to pay the principal of and the redemption premium, if any, on the Outstanding Bonds to be refunded and interest which will become due and payable on or prior to maturity or an earlier redemption date, or that (B) from such proceeds or other sources there shall be deposited in trust with the Trustee government securities of the type specified in Minnesota Statutes, Section 475.67, subdivision 8, the principal of and the interest on which when due and payable will provide, together with any other moneys which shall have been deposited with the Trustee for such purpose, sufficient moneys to pay such principal, redemption premium and interest; and

(f) If the Additional Bonds are issued for the purpose described in clause (iii) above, and do not defease all Outstanding Bonds, a report of an independent accountant to the effect that the debt service payable on Outstanding Bonds (including the Additional Bonds to be issued) in each future calendar year during which Bonds remain Outstanding will not be increased over the amount which would have been payable in such calendar years had the Additional Bonds not been issued.

The Trustee shall not authenticate any such Additional Bonds until there is also delivered to the Trustee a resolution of the Authority authorizing the Additional Bonds, executed counterparts of amendments to the Lease providing for the additional Rental Payments, a supplement to the Indenture describing the Additional Bonds and further documents of the kind described in Section 2.9 to the extent applicable to the Additional Bonds. Additional Bonds shall have Interest Payment Dates of February 1 and August 1, and Principal Payment Dates of May 1.

Section 2.11 Book-Entry Only System. For purposes of this Section and Section 2.12, the following terms shall have the following meanings:

"Beneficial Owner" shall mean, whenever used with respect to a Bond, the person in whose name such Bond is recorded as the beneficial owner of such Bond by a Participant on the records of such Participant, or such person's subrogee.

"DTC" shall mean The Depository Trust Company of New York, New York.

"DTC Participant" shall mean any broker-dealer, bank or other financial institution for which DTC holds Bonds as securities depository.

"Representation Letter" shall mean the Representation Letter pursuant to which the Authority agrees to comply with DTC's Operational Arrangements.

Upon the initial issuance of the Bonds, DTC will act as securities depository for the Bonds. The Bonds shall be initially issued in the form of a single Bond for each stated maturity, registered in the Bond Register in the name of Cede & Co., as the nominee of DTC.

Until termination of the book-entry only system pursuant to Section 2.12 hereof, the Bonds may only be registered in the name of Cede & Co.

With respect to the Bonds registered in the Bond Register in the name of Cede & Co., as nominee of DTC, neither the Authority nor the Trustee shall have any responsibility or obligation to any DTC Participant or to any Beneficial Owner. Without limiting the immediately preceding sentence, neither the Authority nor the Trustee shall have any responsibility or obligation with respect to (i) the accuracy of the records of DTC or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant, any Beneficial Owner or any other person, other than DTC, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant, any Beneficial Owner or any other person, other than DTC, of any amount of principal of, premium, if any, or interest with respect to the Bonds.

The Authority and the Trustee may treat as and deem DTC to be the absolute owner of each Bond for the purpose of payment of the principal of, premium, if any, and interest with respect to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Trustee shall pay all principal of, premium, if any, and interest with respect to the Bonds only to or upon the order of the Bondholders as shown on the

Bond Register, and all such payments shall be valid and effective to fully satisfy and discharge the Authority's and Trustee's obligations with respect to the payment of the principal of, premium, if any, and interest relating to the Bonds to the extent of the sum or sums so paid.

Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the transfer provisions in Section 2.05 hereof, references to "Cede & Co." in this Section shall refer to such new nominee of DTC.

Section 2.12 Substitute Securities Depository; Termination of Book-Entry Only System. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving written notice to the Authority and the Trustee and discharging its responsibilities with respect thereto under applicable law. The Authority may terminate the services of DTC with respect to the Bonds at any time if it determines that DTC is no longer able to carry out its functions as securities depository or that continuation of the system of book-entry transfers through DTC is not in the best interests of the Authority or the Beneficial Owners.

Upon the termination of the services of DTC, a substitute securities depository may be appointed by the Authority. Any substitute securities depository appointed hereunder shall undertake all the obligations and duties of DTC described in this Indenture. In any such case the references herein to DTC shall be deemed to mean such substitute securities depository and any references herein to Cede & Co., as nominee of DTC, shall be deemed to mean the nominee of such substitute securities depository.

Upon the termination of the services of DTC, and if no substitute securities depository willing to undertake the functions of DTC hereunder can be found that, in the opinion of the Authority, is able to undertake such functions upon reasonable and customary terms, or if the Authority determines that it is in the best interests of the Authority or the Beneficial Owners of the Bonds that the Beneficial Owners be able to obtain certificated Bonds, the Bonds shall no longer be restricted to being registered in the Bond Register in the name of Cede & Co., as nominee of DTC, but may be registered in whatever name or names the Bondholders shall designate at that time, in accordance with this Article. To the extent that the Beneficial Owners are designated as the transferee by DTC, the Bonds will be delivered to the Beneficial Owners.

Notwithstanding any other provision of this Indenture to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments of the principal of, premium, if any, and interest relating to such Bond, and all notices with respect to such Bond, shall be made and given to DTC as provided in the Representation Letter.

ARTICLE III REDEMPTION OF BONDS

Section 3.1 Redemption of Series 2014 Bonds. The Series 2014 Bonds maturing in 2025 and later years are subject to redemption at the option of the Authority, in whole or in part in integral multiples of \$5,000, and if in part, in such order of maturity dates as the Authority may

determine and by lot or other manner deemed fair as to Series 2014 Bonds maturing on the same date, on any Business Day on or after February 1, 2024, at a redemption price equal to the principal amount thereof plus accrued interest to the redemption date.

The Series 2014 with stated maturities in the year 20__, are subject to mandatory sinking fund redemption, at a redemption price equal to the stated principal amount thereof plus interest accrued thereon to the redemption date, without premium, on February 1 in each of the following years the following stated principal amounts of such Bonds:

20__	\$
20__ (maturity)	

Section 3.2 Notice of Redemption. If the Bonds are to be redeemed pursuant to Section 3.1 hereof, and written notice of an election to exercise an option to redeem Bonds hereunder shall have been given to the Trustee at least 45 days prior by the Authority, the Trustee shall prepare a notice in the name of the Authority or in its own name describing the Outstanding Bonds to be redeemed, the date of redemption, and the redemption price. Notice of redemption shall be mailed by the Trustee, not less than thirty (30) days before the redemption date, by first-class mail, to the Owners of all Bonds which are to be redeemed, at their last addresses appearing upon the registry books of the Authority and shall be published to the extent required by law.

Section 3.3 Deposit for Redemption. Prior to the designated redemption date the Authority shall deposit or cause to be deposited with the Trustee funds sufficient to pay the redemption price of the Bonds to be redeemed, and interest thereon to the redemption date, and there shall be deposited, or arrangements shall be made with the Trustee to deposit, with the Trustee a sum sufficient to pay the proper expenses and charges of the Trustee in connection with such redemption. Upon deposit with the Trustee of the aggregate amount of such redemption price and interest pursuant to this Section, such moneys shall be set aside by the Trustee and held by it for the account of the respective Holders of the Bonds being redeemed.

Section 3.4 Payment of Redeemed Bonds. After notice of redemption shall have been given as provided in Section 3.2, the Bonds specified in such notice shall become due and payable on the redemption date. Payment of the redemption price and interest shall be made to or upon order of the Owner, upon the surrender of the Bonds. Any installment of interest maturing on or prior to the redemption date shall be payable to the Owners of Bonds registered as such on the relevant Record Dates according to the terms of such Bonds and the provisions of Section 2.06 hereof and the notice of redemption herein provided for may so state. If redemption moneys are available for the payment of all of the Bonds called for redemption on the redemption date, the Bonds so called shall cease to draw interest after the redemption date, and such Bonds shall not be deemed to be outstanding hereunder for any purpose, except that the Holders thereof, on presentation, as herein provided, shall be entitled to receive payment of the

redemption price and interest accrued thereon to the redemption date from the moneys set aside by the Trustee as aforesaid.

Section 3.5 Cancellation of Redeemed Bonds. All Bonds so redeemed, shall forthwith be canceled and destroyed by the Trustee and a certificate of destruction furnished to the Authority; and no further Bonds shall be executed or authenticated or issued hereunder in exchange or substitution therefor.

Section 3.6 Partial Redemption of Bonds. If less than all of the Bonds of a particular maturity at the time outstanding are to be called for prior redemption, the particular Bonds or portions thereof of such maturity to be redeemed shall be selected by lot, except as otherwise provided herein, by the Trustee in such manner as the Trustee, in its discretion, may determine. The Trustee shall call for redemption in accordance with the foregoing provisions as many Bonds or portions thereof as will, as nearly as practicable, exhaust the moneys available therefor. Particular Bonds or portions thereof shall be redeemed only in integral multiples of principal amount of \$5,000.

In the case of Bonds of denominations greater than \$5,000, if less than all of such Bonds then outstanding are to be called for redemption, then for all purposes in connection with redemption, each \$5,000 of principal amount shall be treated as though it was a separate Bond of the denomination of \$5,000 bearing one of the numbers borne by such fully registered Bond. If it is determined that one or more, but not all of the \$5,000 units of principal amount represented by any such fully registered Bond is to be called for redemption, then upon notice of intention to redeem such \$5,000 unit or units, the owner of such fully registered Bond which forthwith surrender such Bond to the Trustee (1) for payment of the redemption price (including the redemption premium, if any, and interest to date fixed for redemption) of the \$5,000 unit or units of principal amount called for redemption and (2) exchange for a new Bond or Bonds of the aggregate principal amount of the unredeemed balance of the principal amount of such fully registered Bond, which shall be issued to the Owner thereof, without charge therefor. If the owner of any such fully registered Bond of a denomination greater than \$5,000 shall fail to present such Bond to the Trustee for payment and exchange as aforesaid, such Bond shall nevertheless become due and payable on the date fixed for redemption to the extent of the \$5,000 unit or units of principal amount called for redemption (and to that extent only). Interest shall cease to accrue on the portion of the principal amount of such Bond represented by such \$5,000 unit or units of principal amount on and after the date fixed for redemption, provided that funds sufficient for the payment of the redemption price shall have been deposited with the Trustee and shall be available for the redemption of said \$5,000 unit or units on the date fixed for redemption, and in such event, such Bond shall not be entitled to the benefit or security of this Indenture or the Lease to the extent of the portion of its principal amount (and accrued interest thereon to the date fixed for redemption and applicable premium, if any) represented by such \$5,000 unit or units of principal amount, nor shall new Bonds be thereafter issued corresponding to said unit or units.

ARTICLE IV
BOND PROCEEDS; CONSTRUCTION FUND

Section 4.1 Deposit of Series 2014 Bond Proceeds. The Authority shall deposit, or shall direct the purchaser or purchasers of the Series 2014 Bonds to deposit, with the Trustee all of the net proceeds of the sale of the Series 2014 Bonds (including accrued interest thereon from the date from which interest is to be paid thereon to the date of delivery to the purchaser or purchasers thereof) and the Trustee shall deposit to the credit of the Construction Fund \$_____ of the net proceeds of the Series 2014 Bonds, and shall deposit \$_____ of the net proceeds of the Series 2014 Bonds to the Bond Fund.

Section 4.2 Establishment of Construction Fund. The Authority hereby establishes an account with the Trustee entitled the "Public Project Revenue Bond Construction Fund" (the Construction Fund) and there shall be deposited with the Trustee to the credit of the Construction Fund the amount specified in Section 4.1 above from the proceeds of the Series 2014 Bonds. As provided in Section 4.5 hereof, income and profit from the investment of moneys in the Construction Fund shall be credited to the Construction Fund. The Authority has no obligation hereunder to deposit any moneys in said Construction Fund or apply moneys to Project Costs except proceeds of Series 2014 Bonds or funds made available therefor by the City.

The moneys in the Construction Fund shall be held in trust by the Trustee and applied to the payment of the Project Costs in accordance with and subject to the provisions of this Article IV, and pending such application shall be subject to a lien and charge in favor of the Holders of the Bonds issued and Outstanding under this Indenture and shall be held for the further security of such Holders until paid out as herein provided. In the event the moneys in the Bond Fund shall be insufficient on any Interest Payment Date to pay principal of, premium (if any) or interest on the Bonds due on such date, the Trustee shall use any moneys then on deposit to the credit of the Construction Fund, to the extent needed, to pay such principal, premium and interest. In no event shall moneys in the Construction Fund be paid for Project Costs if an Event of Default has occurred under the Lease.

Section 4.3 Project Costs Defined. For the purposes of this Article, the Project Costs shall include, without intending thereby to limit or restrict any proper definition of such cost under any applicable laws or sound accounting practice, the following:

- (a) Obligations incurred for labor and to contractors, builders and materialmen in connection with the design, acquisition, installation, construction, remodeling and renovation of the Facilities, including obligations for machinery, materials and equipment therefor;
- (b) Costs of equipment and furnishings installed in the Facilities;
- (c) The cost of any indemnity and surety bonds obtained in connection with the Facilities, the fees and expenses of the Trustee during construction, taxes and other municipal governmental charges levied or assessed during construction upon the

Facilities or any property acquired therefor, and the premiums for insurance, if any, in connection with the Facilities during construction;

(d) Fees and expenses of engineers and architects for surveys and estimates and other preliminary investigations, preparation of plans, drawings and specifications, and supervising acquisition, installation and construction, as well as for the performance of all other duties of engineers and architects, as are specifically required in relation to the acquisition, installation and construction of the Facilities or the issuance of Bonds therefor, including the cost of such services as may have been performed by employees of the City; and

(e) Expenses of administration, supervision and inspection properly chargeable to the Facilities, administrative fees of the Authority and the City, legal expenses and fees, financing charges, cost of audits and of preparing, offering and issuing the Bonds, and initial fees of the Trustee, incident to the acquisition, installation, construction and financing of the Facilities.

Section 4.4 Payments from Construction Fund. Payments shall be made from the Construction Fund by the Trustee upon receipt of a draw request from a City Representative substantially in the form attached hereto as Exhibit B that sets forth the following: (1) the requisition number, (2) the name and address of the person, firm or corporation to whom payment is due or has been made, (3) the amount to be paid, (4) the purpose to which such payment is to be applied, and (5) that each obligation, item of cost or expense mentioned therein has been properly incurred, is an item of Project Cost and is a proper charge against the Construction Fund and has not been the basis of any previous withdrawal. Such requisitions may be submitted by facsimile or other electronic means and shall be submitted no more often than twice a month, and the Trustee shall issue its check for each payment required by each such requisition within three Business Days after receipt of said statement. All payments made from the Construction Fund shall be presumed by the Trustee to be made for the purposes certified in said statement, and the Trustee shall not be required to see to the application of any payments made from the Construction Fund or to inquire into the purposes for which withdrawals are being made from the Construction Fund. The Trustee shall not be bound to make an investigation into the facts or matters stated in any Draw Request of the City. The Trustee shall not be responsible for determining whether the funds on hand in the Construction Fund are sufficient to complete the Project. The Trustee shall not be responsible to collect lien waivers.

None of the funds in the Construction Fund shall be used for any purposes other than the payment or reimbursement of Project Costs and the payment of principal of, premium (if any) on and interest on the Bonds.

Section 4.5 Deposit and Investment of Construction Fund Moneys. The Trustee shall invest the moneys on deposit in the Construction Fund at the written request and direction of the City Representative in Qualified Investments. The Trustee may, from time to time, cause any such investments to be sold or otherwise be converted into cash, whereupon the proceeds derived from such sale or conversion shall be deposited into the Construction Fund. Any interest or

profit derived from investments shall be credited to the Construction Fund. Investments permitted under this Section may be purchased from the Trustee or from any of its affiliates. No portion of the Construction Fund representing proceeds of the Bonds shall be invested or used in such manner that any of the Bonds would be "arbitrage bonds" under the Internal Revenue Code and regulations thereunder. In the absence of written direction delivered to the Trustee from the City, the Trustee shall invest any funds in Qualified Investments.

Section 4.6 Application of Balance in Construction Fund. When the Completion Certificate pursuant to the Lease shall have been furnished to the Trustee, any balance in the Construction Fund (after disbursing any final amount in accordance with a statement from a City Representative) shall be deposited in the Bond Fund.

ARTICLE V DISPOSITION OF PLEDGED REVENUES

Section 5.1 Bond Fund. The Authority hereby establishes and shall maintain, so long as any of the Bonds are outstanding, with the Trustee a separate account to be designated "Public Project Revenue Bond Sinking Fund" (the Bond Fund) into which the Authority and Trustee shall make the following deposits:

(a) \$_____ of the net proceeds of the Series 2014 Bonds to be deposited therein as provided in Section 4.1 hereof, and all Rental Payments by the City pursuant to Section 5.1 of the Lease.

(b) All other moneys received by the Trustee from the City or Authority when accompanied by directions of the City or Authority that such moneys are to be paid into the Bond Fund or used for purposes for which moneys in the Bond Fund may be used. If the City or Authority so directs, such monies shall be credited against Rental Payments due or to become due.

(c) All other moneys required to be deposited in the Bond Fund pursuant to any provision of this Indenture or the Lease.

The moneys and investments in the Bond Fund are irrevocably pledged to and shall be used by the Trustee, from time to time, to the extent required, for the payment of principal of, premium (if any) on and interest on the Bonds, as and when such principal, premium and interest shall become due and payable.

Section 5.2 Investment of Funds in Bond Fund. Any moneys held as a part of the Bond Fund shall be invested or reinvested by the Trustee upon the request and direction of a City Representative in any Qualified Investment. Subject to the foregoing, the type, amount and maturity of Qualified Investments shall conform to the instructions, if any, in the written request of the City Representative; provided that investments acquired with moneys held in the Bond Fund shall mature no later than the Interest Payment Date upon which such moneys will be needed to pay principal of, premium, if any, and interest on the Bonds. Investments permitted under this Section may be purchased from the Trustee or from any of its affiliates. Obligations

so purchased shall be deemed at all times to be a part of the Bond Fund, unless otherwise provided herein, but may from time to time be sold or otherwise converted into cash, whereupon the proceeds derived from such sale or conversion shall be credited to the Bond Fund. Any interest accruing on and any profit realized from such investment shall be credited to the Bond Fund. The Trustee shall redeem or sell, at the best price obtainable, any obligations so purchased, whenever it shall be necessary to do so in order to provide moneys to meet any payment from the Bond Fund. Neither the Trustee nor the Authority shall be liable for any loss resulting from any such investment, nor from failure to preserve rights against endorsers or other prior parties to instruments evidencing any such investment. Investment of funds pursuant to this Section shall be limited as to amount and yield of investment in such manner that no part of the outstanding Bonds shall be deemed "arbitrage bonds" under the Internal Revenue Code and regulations thereunder. In the absence of written direction delivered to the Trustee from the City, the Trustee shall invest any funds in Qualified Investments.

ARTICLE VI PARTICULAR COVENANTS OF THE AUTHORITY

The Authority covenants and agrees, so long as the Bonds shall be outstanding and subject to the limitations on its obligations herein set forth, that:

Section 6.1 Payment of Bonds. It will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Indenture and the Bond Resolution and in each and every Bond executed, authenticated and delivered hereunder; will pay or cause to be paid, from Rental Payments by the City and other amounts received in respect of the Lease or available under this Indenture, the principal of, premium (if any) on and interest on every Bond issued hereunder on the dates, at the places and in the manner prescribed in the Bonds in any coin or currency which, on the respective dates of payment of such principal and interest, is legal tender for the payment of public and private debts; and will cause such amounts received to be deposited with the Trustee prior to the due date of each installment of principal and interest and prior to the maturity of any Bond in amounts sufficient to pay such installment; provided, however, that the principal of and interest on any Bond is not and shall not be deemed to represent a debt or pledge the faith or credit of the Authority, the City, the County of Hennepin or the State of Minnesota or grant to the Holder of any Bond any right to have the Authority, the City, the County of Hennepin or the State of Minnesota levy any taxes or appropriate any funds to the payment of principal of or interest on the Bonds, such payment to be made solely and only out of the moneys received pursuant to the Lease and the funds and accounts established and maintained with the Trustee pursuant to the requirements of this Indenture and appropriated to the payment of the Bonds by the Indenture.

Section 6.2 Extensions of Payments of Bonds. It shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds, or the time of payment of any claims for interest by the purchase or refunding of such Bonds or claims for interest or by any other arrangement; and in case the maturity of any of the Bonds, or the time for payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled in case of any default hereunder to the benefit of the Indenture or to any payment out of any

assets of the Authority or the funds (except funds held in the trust by the Trustee for the payment of particular Bonds or claims for interest pursuant to this Indenture) held by the Trustee except subject to the prior payment of the principal of all Bonds issued and outstanding hereunder, the maturity of which Bonds or principal installments has not been extended, and of such portion of the accrued interest on the Bonds as shall not be represented by such extended claims for interest. Nothing in this Section shall, however, be deemed to limit the right of the Authority to fund or refund at one time all of such Bonds and claims for interest.

Section 6.3 Authorization. The Authority is duly authorized under the Constitution and laws of the State of Minnesota to create and issue the Bonds, to undertake the acquisition, construction, furnishing and financing of the Facilities, to execute this Indenture and assign and pledge to the Trustee the Trust Estate, including the Rental Payments, and to make the covenants as herein provided. All necessary action and proceedings on its part to be taken for the creation and issuance of the Bonds and the execution and delivery of this Indenture have been duly and effectively taken.

Section 6.4 Concerning the Lease. It will cause and permit the Trustee to take such action as may be necessary or advisable to enforce the covenants, terms and conditions of the Lease if such action shall, in the Trustee's discretion, be deemed to be in the best interest of the Authority or the Bondholders. The Authority shall do or cause to be done all things on its part to be performed under the Lease so that the obligations of the City thereunder shall not be impaired or excused.

Section 6.5 To Observe All Covenants and Terms -- Limitations on Authority's Obligations. It will not issue or permit to be issued any Bonds hereunder in any manner other than in accordance with the provisions of this Indenture and the agreements in that behalf herein contained, and will not suffer or permit any Event of Default to occur under this Indenture, but will faithfully observe and perform all the conditions, covenants and requirements hereof. It is expressly agreed that the Authority has no obligation to levy taxes for, or make any advance or payment or incur any expense or liability from its general funds in performing, any of the conditions, covenants or requirements of the Bonds or this Indenture or from any funds other than revenues and income received pursuant to the Lease or moneys in the funds and accounts provided for herein.

Section 6.6 Liens. The Authority agrees it will not mortgage, sell or otherwise encumber its interests in the Land and Facilities during the term of the Lease, except pursuant to the Lease or as otherwise permitted in the Ground Lease, Lease or this Indenture.

ARTICLE VII EVENTS OF DEFAULT; REMEDIES

Section 7.1 Events of Default. Each of the following events is hereby defined as, and is declared to be and to constitute, an "Event of Default":

(a) If payment of the principal of, or premium, if any, on any of the Bonds, when the same shall become due and payable, whether at maturity or by proceedings for redemption (by redemption, declaration or otherwise), shall not be made; or

(b) If payment of any interest on the Bonds when the same shall become due and payable (in which case interest shall be payable to the extent permitted by law on any overdue installments of interest, in each case at the interest rate borne by the Bonds in respect of which such interest is overdue) shall not be made; or

(c) If an Event of Default shall occur and be subsisting under Section 10.1 of the Lease; or

(d) If default shall be made in the performance or observance of any other of the covenants, agreement or conditions on the part of the Authority in this Indenture, or in the Bonds contained, and such default shall have continued for a period of thirty days after written notice thereof given to the Authority by the Trustee.

Section 7.2 Enforcement of Covenants and Conditions. Upon the occurrence of an Event of Default or breach of any of the covenants and conditions of this Indenture, or to protect the Trust Estate, the Trustee, anything herein contained to the contrary notwithstanding and without any request from any Bondholder (subject, however, to the provisions of Section 8.6 hereof), may take such action or actions for the enforcement of its rights and the rights of the Bondholders and the rights of the Authority under the Lease as due diligence, prudence and care would require and to pursue the same with like diligence, prudence and care.

Upon the occurrence of an Event of Default, the Trustee may, and shall upon the written request of the Holders of not less than twenty-five per centum (25%) in aggregate principal amount of Outstanding Bonds, by written notice to the Authority, declare the principal of the Bonds to be immediately due and payable, whereupon that portion of the principal of the Bonds thereby coming due and the interest thereon accrued to the date of payment shall, without further action, become and be immediately due and payable, anything in this Indenture or in the Bonds to the contrary notwithstanding.

Upon the happening and continuance of an Event of Default, the Trustee may, and shall upon the written request of the Holders of not less than twenty-five per centum (25%) in aggregate principal amount of outstanding Bonds, proceed forthwith by suit or suits at law or in equity or by any other appropriate remedy to enforce payment of the Bonds, to enforce application to such payment of the funds, revenues and income appropriated thereto by this Indenture and by the Bonds, to enforce rights of the Authority under the Lease, and to enforce any such other appropriate legal or equitable remedy as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce any of its rights or any of the rights of the Bondholders. Notwithstanding the foregoing, the Trustee need not proceed upon any such written request of the Bondholders, as aforesaid, unless the Bondholders shall have offered to the Trustee security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby.

Section 7.3 Application of Moneys. All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Indenture or the Lease, shall, after payment of the cost and expenses of the proceedings resulting in the collection of such moneys and of the fees, expenses, liabilities and advances incurred or made by the Trustee, be deposited in the Bond Fund and all moneys in the Bond Fund maintained with the Trustee shall be applied as follows:

(a) Unless the principal of all the Bonds shall have become due and payable, all such moneys shall be applied:

First: To the payment to the Bondholders entitled thereto of all installments of interest then due on the Bonds, in the order of the maturity of the installments of such interest, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the Bondholders entitled thereto, without any discrimination or privilege; and

Second: To the payment to the Bondholders entitled thereto of the unpaid principal of any of the Bonds which shall have become due (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of this Indenture), in the order of their due dates, and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, then to the payment ratably, according to the amount of principal due on such date, to the Bondholders entitled thereto without any discrimination or privilege.

(b) If the principal of all the Bonds shall have become due, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon the Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the Bondholders entitled thereto without any discrimination or privilege.

Whenever moneys are to be applied by the Trustee pursuant to the provisions of this Section, such moneys shall be applied by it at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such dates shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the Holder of any Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Whenever all Bonds and interest thereon have been paid under the provisions of this Section and all expenses and charges of the Trustee and the Authority have been paid, any balance remaining shall be paid to the persons entitled to receive the same; if no other person shall be entitled thereto, then the balance shall be paid to the City.

Section 7.4 Right of Trustee to Act Without Possession of Bonds. All rights of action (including the right to file proof of claim) under this Indenture, the Lease or under any of the Bonds, may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceeding relating thereto, and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee, without the necessity of joining as plaintiffs or defendants any Holders of the Bonds hereby secured, and any recovery of judgment shall be for the equal benefit of the Holders of the Outstanding Bonds, subject to the provisions of Section 6.02 hereof with respect to extended Bonds and claims for interest.

Section 7.5 Power of Majority of Bondholders. Anything in this Indenture to the contrary notwithstanding, the Holders of a majority in aggregate principal amount of Bonds Outstanding hereunder shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all proceedings to be taken under this Indenture and the Lease; provided, that such direction shall not be otherwise than in accordance with the provisions of law and that the Trustee shall be indemnified as provided in Section 8.06.

Section 7.6 Limitation on Suits by Bondholders. No Holder of any Bond shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Indenture or for the execution of any trust hereof or for any other remedy hereunder, unless an Event of Default has occurred of which the Trustee has been notified or of which it is deemed to have notice; nor unless the Holders of twenty-five per centum (25%) in aggregate principal amount of Bonds outstanding hereunder shall have made written request to the Trustee and shall have offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; nor unless also they shall have offered to the Trustee indemnity as provided hereinafter; and such notification, request and offer of indemnity are hereby declared in every such case at the option of the Trustee to be conditions precedent to the execution of the powers and trusts of this Indenture, and to any action or cause of action for enforcement or for any other remedy hereunder; it being understood and intended that no one or more Holders of the Bonds shall have any right in any manner whatsoever to affect, disturb, or prejudice the lien of this Indenture by his or their action or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of the Holders of all Bonds outstanding hereunder. Nothing in this Indenture contained shall, however, affect or impair the right of any Bondholder, which is absolute and unconditional, to enforce and bring suit for the payment of the principal of and interest on any Bond at and after the maturity thereof to pay the principal of and interest on each of the Bonds issued hereunder to the respective Holders thereof at the time and place in said Bonds expressed, in accordance with the terms of the Bonds.

Section 7.7 Waiver by Bondholders. The Trustee, upon the written request of the Holders of not less than a majority in principal amount of the Bonds at the time outstanding hereunder, shall waive any Event of Default hereunder and its consequences, except an Event of Default in the payment of the principal of the Bonds at the date of maturity specified therein; provided, however, that an Event of Default in the payment of interest on the Bonds shall not be waived unless, prior to such waiver, all arrears of interest and all expenses of the Trustee shall have been paid or shall have been provided for by deposit with the Trustee of a sum sufficient to pay the same. In case of any such waiver, the Authority, the Trustee and the Holders of the Bonds shall be restored to their former positions and rights hereunder respectively. No such waiver shall extend to any subsequent or other Event of Default or impair any right consequent thereon.

Section 7.8 Remedies Cumulative, Delay Not To Constitute Waiver. No remedy by the terms of this Indenture or the Lease, conferred upon or reserved to the Trustee (or to the Bondholders) is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient.

No waiver of any Event of Default hereunder, whether by the Trustee or by the Bondholders, shall extend to or shall affect any subsequent Event of Default or shall impair any rights or remedies consequent thereon.

Section 7.9 Restoration of Rights Upon Discontinuance of Proceedings. In case the Trustee or Bondholders shall have proceeded to enforce any right under this Indenture and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee or the Bondholders, then and in every such case the Authority, the City, the Trustee and the Bondholders shall be restored to their former positions and rights hereunder with respect to the Trust Estate, and all rights, remedies and powers of the Trustee and the Bondholders shall continue as if no such proceedings had been taken.

ARTICLE VIII CONCERNING THE TRUSTEE

Section 8.1 Acceptance of Trust and Prudent Performance Thereof. The Trustee, prior to the occurrence of an Event of Default and after the curing of all such Events of Default as may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. The Trustee shall, during the existence of any such Event of Default which has not been cured, exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

The Trustee shall not be required to take notice or be deemed to have notice of any Default hereunder, except Default in the deposits or payments specified herein, or failure by the Authority or the City to file with it any of the documents required, or to deposit with it evidence of any insurance policies required hereunder or under the Lease, unless the Trustee shall be specifically notified in writing of such Default by the City, by the Authority or by the Holders of at least twenty-five per centum (25%) in aggregate principal amount of Bonds outstanding hereunder, and all notices or other instruments required by this Indenture to be delivered to the Trustee must, in order to be effective, be delivered at the office of the Trustee, and in the absence of such notice so delivered, the Trustee may conclusively assume that there is no Default, except as aforesaid.

No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that

(a) prior to such an Event of Default hereunder, and after the curing of all such Events of Default which may have occurred:

(1) the duties and obligations of the Trustee shall be determined solely by the express provisions of this Indenture, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee, and

(2) in the absence of bad faith on the part of the Trustee, the Trustee may conclusively rely, as to the truth of the statements and to the correctness of the opinions expressed therein, upon any certificate or opinion furnished to the Trustee conforming to the requirements of this Indenture; but in the case of any such certificate or opinion which by any provision hereof is specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not it conforms in form to the requirements of this Indenture; and

(b) at all times, regardless of whether or not any such Event of Default shall exist:

(1) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer or Officers of the Trustee unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts, and

(2) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of not less than a majority in aggregate principal amount of all the Bonds at the time outstanding relating to the time, method and place of conducting any

proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture.

None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise to incur individual financial liability in the performance of any of its duties or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

Section 8.2 Trustee May Rely Upon Certain Documents and Opinions. Except as otherwise provided in Section 8.01,

(a) the Trustee may rely and shall be protected in acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(b) any request, direction, election, order, certification or demand of the Authority or the City shall be sufficiently evidenced by an instrument signed by an Authority Representative or a City Representative, as the case may be (unless otherwise in this Indenture specifically prescribed), and any resolution of the Authority may be evidenced to the Trustee by a copy certified by the Secretary;

(c) the Trustee may consult with counsel (who may be counsel for the Authority or the City) and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance with the opinion of such counsel; and

(d) whenever, in the administration of the trusts of this Indenture, the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of negligence or bad faith on the part of the Trustee, be deemed to be conclusively proved and established by a Certificate of the Authority or Certificate of the City and any such Certificate shall, in the absence of negligence or bad faith on the part of the Trustee, be full warrant to the Trustee for any action taken or suffered by it under the provisions of this Indenture upon the faith thereof.

Section 8.3 Trustee Not Responsible for Indenture Statements, Validity. The Trustee shall not be responsible for any recital or statement herein, or in the Bonds (except in respect of the certificate of the Trustee endorsed on such Bonds), or for the validity of the execution by the Authority of this Indenture or the validity or execution of the Lease or the Bond Resolution, or of any supplemental instrument, or for the sufficiency of the security of the Bonds issued hereunder or intended to be secured hereby, or for the value or title of any of the Trust Estate, or otherwise as to the maintenance of the security hereof; and the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenant, condition or agreement on the part

of the Authority or the City, except as herein set forth, but the Trustee may require of the Authority and the City full information and advice as to the performance of the covenants, conditions and agreements aforesaid and of the condition of the physical property included in the Trust Estate. The Trustee shall not be accountable for the use of any Bonds authenticated or delivered hereunder.

Section 8.4 Limits on Duties and Liabilities of Trustee. The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty of the Trustee and the Trustee shall be answerable only for its own negligence or willful default. The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises.

Section 8.5 Money Held in Trust. Money held by the Trustee hereunder is held in trust but need not be segregated from other funds except to the extent required by law. The Trustee shall be under no liability for interest on any money received by it hereunder except as otherwise agreed with the Authority or the City.

Section 8.6 Obligation of Trustee. The Trustee shall be under no obligation to institute any suit, or to take any proceeding under this Indenture, or to enter any appearance or in any way defend in any suit in which it may be defendant, or to take any steps in the execution of the trusts hereby created or in the enforcement of any rights and powers hereunder, until it shall have reasonable grounds for believing that repayment of all costs and expenses, outlays and counsel fees and other reasonable disbursements in connection therewith and adequate indemnity against all risk and liability is reasonably assured to it; the Trustee may, nevertheless, begin suit, or appear in and defend suit, or do anything else in its judgment proper to be done by it as such Trustee, without assurance of reimbursement or indemnity, and in such case the Trustee shall be reimbursed for all costs and expenses, outlays and counsel fees and other reasonable disbursements properly incurred in connection therewith. If the City shall fail to make such reimbursement, the Trustee may reimburse itself from any moneys in its possession under the provisions of this Indenture and shall be entitled to a preference therefor over any of the Bonds or claims for interest outstanding hereunder.

Section 8.7 Notice to Bondholders. The Trustee shall give to the Holders of the Bonds whose names and addresses are known to it written notice of all Events of Default known to the Trustee by virtue of actual knowledge of a Responsible Officer, within sixty (60) days after the occurrence of an Event of Default unless such Event of Default shall have been cured before the giving of such notice; provided that, except in the case of an Event of Default in the payment of principal and interest on any of the Bonds, the Trustee shall be protected in withholding such notice if and so long as its Board of Commissioners, an executive committee or trust default committee or chief executive officer of the Trustee in good faith determines that the withholding of such notice is in the interest of the Bondholders.

Section 8.8 Intervention in Judicial Proceedings. In any judicial proceeding to which the Authority or the City is a party and which in the opinion of the Trustee has a substantial bearing on the interest of owners of Bonds issued hereunder, the Trustee may intervene on behalf of

Bondholders and shall do so if requested in writing by the owners of at least twenty-five percent (25%) in the aggregate principal amount of Bonds Outstanding hereunder. The rights and obligations of the Trustee under this Section are subject to the approval of the court having jurisdiction in the premises.

Section 8.9 Further Investigation by Trustee. The resolutions, opinions, certificates and other instruments provided for in this Indenture may be accepted by the Trustee as conclusive evidence of the facts and conclusions stated therein and shall be in full warrant, protection and authority to the Trustee for its actions hereunder; but the Trustee may, in its unrestricted discretion, and shall, if requested in writing so to do by the Holders of not less than twenty-five per centum (25%) in aggregate principal amount of Bonds Outstanding hereunder, cause to be made such independent investigation as it may see fit, and in that event may decline to release any property, or pay over cash, or take other action unless satisfied by such investigation of the truth and accuracy of the matters so investigated.

Section 8.10 Trustee to Retain Financial Records. The Trustee shall retain all financial statements and other reports furnished by the Authority or the City in accordance with this Indenture so long as any of the Bonds shall be Outstanding.

Section 8.11 Compensation of Trustee. All advances, counsel fees and other expenses reasonably made or incurred by the Trustee in and about the execution of the trust hereby created and reasonable compensation to the Trustee for its services in the premises shall be paid by the City. The compensation of the Trustee shall not be limited to or by any provision of law in regard to the compensation of trustees of an express trust. If not paid by the City, the Trustee shall have a first lien, with right of payment prior to payment on account of interest or principal of any Bond issued hereunder, for reasonable compensation, expenses, advances and counsel fees incurred in and about the execution of the trusts hereby created and exercise and performance of the powers and duties of the Trustee hereunder and the cost and expense incurred in defending against any liability in the premises of any character whatsoever (unless such liability is adjudicated to have resulted from the negligence or willful default of the Trustee).

Section 8.12 Trustee May Hold Bonds. The Trustee and its officers and directors may acquire and hold, or become the pledgee of, Bonds and otherwise deal with the Authority or the City in the same manner and to the same extent and with like effect as though it were not Trustee hereunder.

Section 8.13 Appointment of Trustee. There shall at all times be a trustee hereunder which shall be a trust company or bank in good standing organized and doing business under the laws of the United States or any State thereof, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least Ten Million Dollars (\$10,000,000), and subject to supervision or examination by Federal or State authority. If such association or corporation publishes reports of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this Section the combined capital and surplus of such association or corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of

condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section, and another association or corporation is eligible, the Trustee shall resign immediately in the manner and with the effect specified in Section 8.16 hereof.

Section 8.14 Merger of Trustee. Any corporation or association into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its trust business and assets as a whole or substantially as a whole, or any corporation or association, resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, ipso facto, shall be and become successor trustee hereunder and vested with all of the title to the Trust Estate and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 8.15 Resignation or Removal of Trustee. The Trustee may resign and be discharged from the trusts created by this Indenture by giving to the Authority and the Bondholders thirty (30) days notice in writing of such resignation, specifying a date when such resignation shall take effect. Such resignation shall take effect on the day specified in such notice, if a successor Trustee has been appointed, or upon such later date as a successor is appointed.

Any Trustee hereunder may be removed at any time by an instrument or instruments in writing, appointing a successor to the Trustee so removed, filed with the Trustee and executed by either (i) the Authority or (ii) the Holders of a majority in principal amount of the Bonds hereby secured and then Outstanding.

Section 8.16 Appointment of Successor Trustee. In case at any time the Trustee shall resign or shall be removed or otherwise shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver of the Trustee or of its property shall be appointed, or if a public supervisory office shall take charge or control of the Trustee or of its property or affairs, a vacancy shall forthwith and ipso facto be created in the office of such Trustee hereunder, and a successor may be appointed by either (i) the Authority or (ii) the Holders of a majority in principal amount of the Bonds hereby secured and then Outstanding, by an instrument or instruments in writing filed with the Trustee and executed by such Bondholders, notification thereof being given to the Authority, but in the event the Trustee has been removed by action of the Bondholders, until a new Trustee shall be appointed by the Bondholders as herein authorized, the Authority may, subject to the provisions hereof, appoint a Trustee to fill such vacancy. After any appointment by the Authority, in the event the Trustee has been removed by action of the Bondholders, the Trustee so appointed shall cause notice of its appointment to be mailed within 30 days of such appointment to the registered Holders of the Bonds, but any new Trustee so appointed by the Authority shall immediately and without further act be superseded by a Trustee appointed in the manner above provided by the Holders of a majority in principal amount of said Bonds whenever such appointment by said Bondholders shall be made.

If, in a proper case, no timely appointment of a successor Trustee shall be made pursuant to the foregoing provisions the Holder of any Bond hereby secured or any retiring Trustee may apply to any court of competent jurisdiction to appoint a successor trustee. Said court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor trustee.

Section 8.17 Transfer of Rights and Property to Successor Trustee. Every successor trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the Authority an instrument in writing accepting such appointment hereunder, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor; but such predecessor shall, nevertheless, on the written request of the Authority or of its successor execute and deliver an instrument transferring to such successor all the estate, properties, rights, powers and trusts of such predecessor hereunder, and every predecessor trustee shall deliver all securities and moneys held by it as Trustee hereunder to its successor. Should any assignment, conveyance or instrument in writing from the Authority be required by any successor trustee for more fully and certainly vesting in such successor trustee the estates, rights, powers and duties hereby vested or intended to be vested in the predecessor trustee, any and all such assignments, conveyances and instruments in writing shall, on request, be executed, acknowledged and delivered by the Authority. The resignation of any Trustee and the instrument or instruments removing any Trustee and appointing a successor hereunder, together with all assignments, conveyances and other instruments provided for in this Article shall, at the expense of the City, be forthwith filed and/or recorded by the successor trustee in each recording office where the Indenture shall have been filed and/or recorded.

Section 8.18 Appointment of Successor or Alternate Paying Agents. In the event the initial Trustee shall also have been appointed paying agent for the Series 2014 Bonds or for any Additional Bonds, a successor Trustee shall become successor paying agent with respect to such Bonds unless otherwise provided in the instrument appointing such successor Trustee. If any paying agent other than the initial Trustee shall resign or become incapable of acting, or shall be removed under a supplemental indenture entered into pursuant to the terms hereof, the Trustee may appoint a successor paying agent which is a bank or trust company qualified to act as paying agent under the laws of the State of Minnesota and which is willing to accept the office on reasonable and customary terms approved by an Authority Representative. The Trustee may appoint successor paying agents. "Paying agent" as used in this Section refers to the bank or trust company named in the form of Bond provided for the Series 2014 Bonds in the recitals hereof, or provided for Additional Bonds in a supplemental indenture, where principal of and interest on Bonds may be paid.

ARTICLE IX CONCERNING THE BONDHOLDERS

Section 9.1 Execution of Instruments by Bondholders. Any request, direction, consent or other instrument in writing required by this Indenture to be signed or executed by Bondholders may be in any number of concurrent instruments of similar tenor and may be signed

or executed by such Bondholders in person or by agent duly appointed by an instrument in writing. Proof of the execution of any such instrument and of the ownership of Bonds shall be sufficient for any purpose of this Indenture and shall be conclusive in favor of the Trustee with regard to any action taken by it under such instrument if made in the following manner:

(a) The fact and date of the execution by any person of any such instrument may be proved by the certificate of any officer in any jurisdiction who, by the laws thereof, has power to take acknowledgments of deeds to be recorded within such jurisdiction, to the effect that the person signing such instrument acknowledged to him the execution thereof, or by an affidavit of a witness to such execution.

(b) The ownership of Bonds shall be proved by the registration books kept under the provisions of this Indenture.

Nothing contained in this Article shall be construed as limiting the Trustee to the proof above specified, it being intended that the Trustee may accept any other evidence of the matters herein stated which to it may seem sufficient.

Section 9.2 Waiver of Notice. Any notice or other communication required by this Indenture to be given by delivery, publication or otherwise to the Bondholders or any one or more thereof may be waived, at any time before such notice or communication is so required to be given, by a writing mailed or delivered to the Trustee by the Holder or Holders of all of the Bonds entitled to such notice or communication.

Section 9.3 Determination of Bondholder Concurrence. In determining whether the Holders of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Indenture, Bonds which are owned by the Authority or the City shall be disregarded and deemed not to be Outstanding for the purpose of any such determination; provided, that for the purpose of determining whether the Trustee shall be protected in relying on any such demand, request, direction, consent or waiver only Bonds which the Trustee knows to be so owned shall be disregarded. Bonds so owned which have been pledged in good faith may be regarded as Outstanding for the purposes of this Section if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Bonds and that the pledgee is not a person directly or indirectly controlling or controlled by or under common control with the Authority or the City. In case of a dispute as to such right, any decision by the Trustee taken upon the advice of counsel shall be full protection to the Trustee.

Section 9.4 Bondholders' Meeting. A meeting of the Bondholders may be called at any time and from time to time for any of the following purposes:

(1) to give any notice to the Authority or to the Trustee, or to give any direction to the Trustee, or to make any request of the Trustee, or to consent to the waiving of any Event of Default hereunder and its consequences, or to take any other action authorized to be taken by Bondholders pursuant to any of the provisions of Article VII hereof;

(2) to remove the Trustee or appoint a successor Trustee pursuant to the provisions of Article VIII hereof;

(3) subject to Article XI hereof, to consent to the execution of an indenture or indentures supplemental hereto;

(4) subject to Article XII hereof, to consent to any amendment of the Lease or to any instrument supplemental to the Lease; or

(5) to take any other action authorized to be taken by or on behalf of the Holders of any percentage of the Outstanding Bonds under any other provisions of this Indenture or under applicable law.

Any Bondholders' meeting may be called and held as follows:

(a) A meeting of Bondholders may be held at such place within the City where the Trustee has its principal office as the Trustee or, in case of its failure to act, the Authority or Bondholders calling the meeting shall prescribe.

(b) Notice of every meeting of Bondholders, setting forth the time and place of such meeting and in general terms the action proposed to be taken at such meeting, shall be mailed, postage prepaid, not less than 20 nor more than 180 days prior to the date fixed for the meeting, to each owner of Bonds. Any failure of the Trustee to mail such notice, or any defect therein shall not, however, in any way impair or affect the validity of any such meeting.

(c) In case at any time the Authority, pursuant to a resolution, or the Holders of at least ten percent (10%) in aggregate principal amount of the Bonds then Outstanding, shall have requested the Trustee to call a meeting of the Bondholders, by written request setting forth in reasonable detail the action proposed to be taken at the meeting, and the Trustee shall not have given the notice of such meeting within 20 days after receipt of such request, then the Authority or the Holders of Bonds in the amount above specified may call such meeting to take any action authorized in this Section by giving notice thereof as provided in paragraph (b) of this Section.

(d) Only a Holder of one or more Bonds or a person appointed as proxy by an instrument in writing of such Holder shall be entitled to vote at or to participate with their counsel and the representatives of the Trustee and the Authority in such meeting. Each Holder shall be entitled to one vote for each \$5,000 in principal amount of Outstanding Bonds held.

(e) The Trustee or, in case of its failure to act, the Authority or Bondholders calling or requesting the meeting, may make such reasonable regulations as it may deem advisable for any meeting of Bondholders in regard to proof of the holding of Bonds and of the appointment of proxies and in regard to the appointment and duties of inspectors of

votes, the submission and examination of proxies, certificates and other evidence of the right to vote, and such other matters concerning the conduct of the meeting as it shall deem appropriate.

(f) At any meeting of Bondholders, the presence of persons owning Bonds in an aggregate principal amount sufficient under the appropriate provision of this Indenture to take action upon the business for the transaction of which such meeting was called shall constitute a quorum. Any meeting of Bondholders duly called pursuant to this Section may be adjourned from time to time by vote of the Holders (or proxies for the Holders) of a majority of the Bonds represented at the meeting and entitled to vote, whether or not a quorum shall be present; and the meeting may be held as so adjourned without further notice.

(g) The vote upon any resolution submitted to any meeting of Bondholders shall be by written ballots on which shall be subscribed the signatures of the Holders of Bonds or of their representatives by proxy and the serial number or numbers of the Bonds held or represented by them. The chair of the meeting shall appoint two inspectors of votes who shall count all votes cast at the meeting for or against any resolution and who shall make and file with the secretary of the meeting their verified written reports in duplicate of all votes cast at the meeting. A record, at least in duplicate, of the proceedings of each meeting of Bondholders shall be prepared by the secretary of the meeting and there shall be attached to said record the original reports of the inspectors of votes on any vote by ballot taken thereat and affidavits by one or more persons having knowledge of the facts setting forth a copy of the notice of the meeting and showing that said notice was mailed as provided in paragraph (b) hereof. Each copy shall be signed and verified by the affidavits of the chair and secretary of the meeting and one such copy shall be delivered to the Authority and one copy to the Trustee to be preserved by the Trustee, the latter to have attached thereto the ballots voted at the meeting. Any record so signed and verified shall be conclusive evidence of the matters therein stated.

Section 9.5 Revocation by Bondholders. At any time prior to (but not after) the evidencing to the Trustee of the taking of any action by the Holders of the percentage in aggregate principal amount of the Bonds specified in this Indenture in connection with such action, any Holder of a Bond may, by filing written notice with the Trustee at its principal office, revoke any consent given by such Holder or the predecessor Holder of such Bond. Except as aforesaid, any such consent given by the Holder of any Bond shall be conclusive and binding upon such Holder and upon all future Holders and owners of such Bond and of any Bond issued in exchange therefor or in lieu thereof, irrespective of whether or not any notation in regard thereto is made upon such Bond. Any action taken by the Holders of the percentage in aggregate principal amount of the Bonds specified in this Indenture in connection with such action shall be conclusively binding upon the Authority, the Trustee and the Holders of all the Bonds.

ARTICLE X
PAYMENT, DEFEASANCE AND RELEASE

Section 10.1 Payment and Discharge of Indenture. If the Authority, its successors or assigns, shall

(a) pay or cause to be paid the principal of and premium, if any, and interest on the Bonds at the time and in the manner stipulated therein and herein, or

(b) provide for the payment of principal and premium, if any, of the Bonds and interest thereon by depositing with the Trustee at or at any time before maturity amounts sufficient either in cash or in government securities of the type permitted by Minnesota Statutes, Section 475.67, subd. 8, the principal and interest on which when due and payable and without consideration of any reinvestment thereof shall be sufficient to pay the entire amount due or to become due thereon for principal and premium, if any, and interest to maturity of all said Bonds Outstanding, or

(c) deliver to the Trustee (1) proof satisfactory to the Trustee that notice of redemption of all of the Outstanding callable Bonds not surrendered or to be surrendered to it for cancellation has been given or waived as provided in Article III hereof, or that arrangements satisfactory to the Trustee have been made insuring that such notice will be given or waived, or (2) a written instrument executed by the Authority under its official seal and expressed to be irrevocable, authorizing the Trustee to give such notice for and on behalf of the Authority, or (3) file with the Trustee a waiver of such notice of redemption signed by the Holders of all of such Outstanding Bonds, and in any such case, deposit with the Trustee before the date on which such Bonds are to be redeemed, as provided in said Article III, the entire amount of the redemption price, including accrued interest, and premium, if any, either in cash or in government securities of the type permitted by Minnesota Statutes, Section 475.67, subd. 8, in such aggregate face amount, bearing interest at such rates and maturing at such dates as shall be sufficient to provide for the payment of such redemption price on the date such Bonds are to be redeemed, and on such prior dates when principal of and interest on the Outstanding Bonds is due and payable, or

(d) surrender to the Trustee for cancellation all Bonds for which payment is not so provided, and shall also pay all other sums due and payable hereunder by the Authority,

then and in that case, all the Trust Estate shall revert to the Authority and the City as their interests may appear, and the entire estate, right, title and interest of the Trustee and of the owners of the Bonds shall thereupon cease, determine and become void; and the Trustee in such case, upon the cancellation of all Bonds for the payment of which cash or securities shall not have been deposited in accordance with the provisions of this Indenture, shall, upon receipt of a written request of the Authority, and at its cost and expense, execute to the Authority, or its order, proper instruments acknowledging satisfaction of this Indenture and surrender to the

Authority and the City, as their interests appear, all cash and deposited securities, if any (other than cash or securities for the payment of the Bonds and interest thereon), which shall then be held hereunder as a part of the Trust Estate.

In case of any discharge of the lien of the Indenture pursuant to paragraphs (b) or (c) above, there shall be submitted to the Trustee (i) an Opinion of Counsel, which opinion may be based upon a ruling or rulings of the Internal Revenue Service, to the effect that the interest on the Bonds being discharged will not become includable in gross income for federal income tax purposes, notwithstanding the discharge of the Indenture, and that all requirements of the Lease and Indenture for the defeasance of the Bonds have been complied with and (ii) a report in form and substance acceptable to the Trustee of an independent accountant acceptable to the Trustee to the effect that the payment when due of the principal of and the interest on the government securities of the type permitted by Minnesota Statutes, Section 475.67, subd. 8, deposited with the Trustee will provide, together with any other moneys which shall have been deposited with the Trustee for such purpose, sufficient moneys to pay all principal and interest on the Outstanding Bonds when due.

Nothing contained in this Section 10.1 shall be construed to prohibit the defeasance of one or more, but not all, series of Bonds by any of the methods set forth in clauses (a), (b), (c) or (d) above, as the same would apply to the particular series of Bonds being discharged.

Section 10.2 Bonds Deemed Not Outstanding After Deposits. When there shall have been deposited at any time with the Trustee in trust for the purpose, cash or government securities of the type permitted by Minnesota Statutes, Section 475.67, subd. 8, the principal and interest on which shall be sufficient to pay the principal of any Bonds when the same become due, either at maturity or otherwise, or at the date fixed for the redemption thereof and to pay all interest with respect thereto at the due dates for such interest or to the date fixed for redemption, for the use and benefit of the Holders thereof, then upon such deposit all such Bonds shall cease to be entitled to any lien, benefit or security of this Indenture except the right to receive the funds so deposited, and such Bonds shall be deemed not to be Outstanding hereunder; and it shall be the duty of the Trustee to hold the cash and securities so deposited for the benefit of the Holders of such Bonds, and from and after such date, redemption date or maturity, interest on such Bonds thereof called for redemption shall cease to accrue.

Section 10.3 Unclaimed Money to be Returned. Any moneys deposited with the Trustee pursuant to the terms of this Indenture, for the payment or redemption of Bonds, and the payment of interest and redemption premium with respect thereto, and remaining unclaimed by the Holders of the Bonds for a period of two years and eleven months after the due date or the date fixed for redemption of the same, as the case may be, shall, upon the written request of the Authority, and if the Authority or any successor to the obligations of the Authority under this Indenture and the Bonds shall not at the time, to the knowledge of the Trustee, be in default with respect to any of the terms and conditions contained in the Indenture or in the Bonds, be paid to the Authority, and such Holders of the Bonds shall thereafter look only to the Authority, for payment and then only to the extent of the amounts so received without interest thereon.

ARTICLE XI
SUPPLEMENTAL INDENTURES

Section 11.1 Purposes for Which Supplemental Indentures May be Executed. The Authority, upon resolution, and the Trustee from time to time and at any time, subject to the conditions and restrictions in this Indenture contained, may enter into such indentures supplemental hereto as may or shall by them be deemed necessary or desirable without the consent of any Bondholder for any one or more of the following purposes:

(a) To correct the description of any property hereby pledged or intended so to be, or to assign, convey, pledge or transfer and set over unto the Trustee, subject to such liens or other encumbrances as shall be therein specifically described, additional property or properties of the Authority or the City for the equal and proportional benefit and security of the Holders and owners of all Bonds at any time issued and Outstanding under this Indenture, subject, however, to the provisions hereinabove set forth with respect to extended Bonds;

(b) To add to the covenants and agreements of the Authority in this Indenture contained other covenants and agreements thereafter to be observed, or to surrender any right or power reserved to or conferred upon the Authority or to or upon any successor;

(c) To evidence the succession or successive successions of any other department, agency, body or corporation to the Authority and the assumption by such successor of the covenants, agreements and obligations of the Authority in the Bonds hereby secured and in this Indenture and in any and every supplemental indenture contained or the succession, removal or appointment of any trustee or paying agent hereunder;

(d) To cure any ambiguity or to correct or supplement any provision contained herein or in any supplemental indentures which may be defective or inconsistent with any other provision contained herein or in any supplemental indenture, or to make such other provisions in regard to matters or questions arising under this Indenture or any supplemental indenture as the Authority may deem necessary or desirable and which shall not be inconsistent with the provisions of this Indenture or any supplemental indenture and which shall not impair the security of the same;

(e) To modify, eliminate and/or add to the provisions of this Indenture to such extent as shall be necessary to effect the qualification of this Indenture under the Trust Indenture Act of 1939, as then amended, or under any similar Federal statute hereafter enacted, and to add to this Indenture such other provisions as may be expressly permitted by said Trust Indenture Act of 1939, excluding, however, the provisions referred to in Section 316(a)(2) of said Trust Indenture Act of 1939; and

(f) To provide for the issuance of Additional Bonds pursuant to this Indenture.

Section 11.2 Execution of Supplemental Indenture. The Trustee is authorized to join with the Authority in the execution of any such supplemental indenture, to make the further agreements and stipulations which may be therein contained, and accept the conveyance, transfer and assignment of any property thereunder, but the Trustee shall not be obligated to enter into any such supplemental indenture which affects its rights, duties or immunities under this Indenture.

Section 11.3 Discretion of Trustee. In each and every case provided for in this Article (other than a supplemental indenture approved by the Holders of not less than a majority in aggregate principal amount of the Bonds pursuant to Section 11.4 hereof), the Trustee shall be entitled to exercise its unrestricted discretion in determining whether or not any proposed supplemental indenture or any term or provisions therein contained is necessary or desirable, having in view the needs of the Authority and the respective rights and interests of the Holders of Bonds theretofore issued hereunder; and the Trustee shall be under no responsibility or liability to the Authority or to the City or to any Holder of any Bond, or to anyone whatever, for any act or thing which it may do or decline to do in good faith subject to the provisions of this Article, in the exercise of such discretion.

Section 11.4 Modification of Indenture with Consent of Bondholders. Subject to the terms and provisions contained in this Section, the Holders of not less than a majority in aggregate principal amount of the Bonds then outstanding shall have the right, from time to time, to consent to and approve the execution by the Authority and the Trustee of such indenture or indentures supplemental hereto as shall be deemed necessary or desirable by the Authority for the purpose of modifying, altering, amending, adding to or rescinding in any particular, any of the terms or provisions contained in this Indenture or in any supplemental indenture; provided, however, that, notwithstanding any other provision of this Indenture, nothing herein contained shall permit or be construed as permitting, without the consent of the Holders of all Outstanding Bonds affected thereby, (a) an extension of the maturity of any Bond issued hereunder, or (b) a reduction in the principal amount of any Bond or the redemption premium or the rate of interest thereon, or (c) the creation of a lien upon or a pledge of revenues ranking prior to or on a parity with the lien or pledge created by this Indenture, or (d) a preference or priority of any Bond or Bonds over any other Bond or Bonds, or (e) a reduction in the aggregate principal amount of the Bonds required to consent to supplemental indentures or amendments to the Lease, or (f) a reduction in the aggregate principal amount of the Bonds required to waive an Event of Default.

Whenever the Authority shall deliver to the Trustee a resolution of Bondholders adopted at a Bondholders' meeting approved by, or an instrument or instruments purporting to be executed by, the Holders of not less than a majority in aggregate principal amount of the Bonds then outstanding, which resolution or instrument or instruments shall refer to the proposed supplemental indenture and shall specifically consent to and approve the execution thereof, thereupon, the Authority and the Trustee may execute such supplemental indenture without liability or responsibility to any Holder of any Bond, whether or not such Holder shall have consented thereto.

If the Holders of not less than a majority in aggregate principal amount of the Bonds outstanding at the time of the execution of such supplemental indenture shall have consented to and approved the execution thereof as herein provided, no Holder of any Bond shall have any right to object to the execution of such supplemental indenture, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Authority from executing the same or from taking any action pursuant to the provisions thereof.

Section 11.5 Supplemental Indentures to be Part of Indenture. Any supplemental indenture executed in accordance with any of the provisions of this Article shall thereafter form a part of this Indenture; and all the terms and conditions contained in any such supplemental indenture as to any provisions authorized to be contained therein shall be and be deemed to be part of the terms and conditions of this Indenture for any and all purposes, and the respective rights, duties and obligations under this Indenture of the Authority, the Trustee and all Holders of Bonds then Outstanding shall thereafter be determined, exercised and enforced hereunder, subject in all respects to such modifications and amendments. If deemed necessary or desirable by the Trustee, reference to any such supplemental indenture or any of such terms or conditions thereof may be set forth in reasonable and customary manner in the text of the Bonds or in a legend stamped on the Bonds.

Section 11.6 Rights of City Unaffected. Anything herein to the contrary notwithstanding, a supplemental indenture under this Article XI which adversely affects the rights of the City under the Lease, so long as the Lease is in effect, shall not become effective unless and until the City consents to the execution and delivery of such supplemental indenture. The Trustee shall cause notice of the proposed execution and delivery of any such supplemental indenture to the execution and delivery of which the City has not already consented, together with a copy of the proposed supplemental indenture, to be mailed to the City at least 30 days prior to the proposed date of execution and delivery of any such supplemental indenture.

Section 11.7 Rights of Authority. The Authority has no duty or obligation to consent to any supplemental indenture or other instrument amending the terms hereof and may, at the expense of the City, request and receive an opinion of such counsel as the Authority may select in connection with any matter relating to a proposed amendment to this Indenture.

Section 11.8 Notice to Rating Agencies. The Authority will send by certified mail, or overnight delivery service, to any rating agency then maintaining a rating on the Bonds, a copy of any proposed supplemental indenture not less than 20 Business Days prior to its proposed execution or adoption.

ARTICLE XII AMENDMENTS TO THE LEASE

Section 12.1 Amendments to the Lease Not Requiring Consent of Bondholders. The Authority, the City and the Trustee may, without the consent of or notice to the Bondholders, consent to any amendment, change or modification of the Lease as may be required (i) by the

provisions of the Lease and this Indenture, (ii) in connection with the issuance of Additional Bonds as provided herein, (iii) in connection with the financing of any additions or expansions of the Facilities, so long as such amendments do not affect the obligation of the City to make Rental Payments as they become due and payable, (iv) for the purpose of curing any ambiguity or formal defect or omission, or (v) in connection with any other change therein which, in the judgment of the Trustee, is not to the prejudice of the Trustee or the Holders of the Bonds.

Section 12.2 Amendments to Lease Requiring Consent of Bondholders. Except for the amendments, changes or modifications as provided in Section 12.1 hereof, neither the Authority nor the Trustee shall consent to any other amendment, change or modification of the Lease without the written approval or consent of the Holders of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding given and procured as in this Section provided; provided, however, that no such amendment, change or modification shall ever affect the obligation of the City to make Rental Payments as they become due and payable. If the Holders of not less than a majority in aggregate principal amount of the Bonds Outstanding hereunder at the time of the execution of any such amendment, change or modification shall have consented to and approved the execution thereof as herein provided, no Holder of any Bond shall have any right to object to any of the terms and provisions contained therein, or in the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee, the Authority or the City from executing the same or from taking any action pursuant to the provisions thereof.

Section 12.3 Rights of Authority. The Authority has no duty or obligation to consent to any proposed amendment to the Lease and may, at the expense of the City, request and receive an opinion of such counsel as the Authority may select in connection with any matter relating to a proposed amendment to the Lease.

Section 12.4 Notice to Rating Agencies. The Authority will send by certified mail, or overnight delivery service, to any rating agency then maintaining a rating on the Bonds, a copy of any proposed amendment to the Lease not less than 20 Business Days prior to its proposed execution or adoption.

ARTICLE XIII MISCELLANEOUS

Section 13.1 Rights in Authority are Held Solely for Benefit of Bondholders. All rights, title and interest created in the Authority pursuant to the Lease are held by the Authority solely for the benefit of the Owners of the Bonds issued pursuant to this Indenture, and are not created in the Authority in its individual capacity or for its own account or benefit for any reason whatsoever. All such rights, title and interest have been irrevocably and absolutely assigned and conveyed in their entirety to the Trustee for the benefit of the Owners of the Bonds issued pursuant to this Indenture.

Section 13.2 Covenants of Authority Bind Successors and Assigns. All the covenants, stipulations, promises and agreements in this Indenture contained, by or in behalf of the

Authority, shall bind and inure to the benefit of its successors and assigns, whether so expressed or not.

Section 13.3 Immunity of Officers. No recourse for the payment of any part of the principal of or interest on any Bond or for the satisfaction of any liability arising from, founded upon or existing by reason of the issue, purchase or ownership of the Bonds shall be had against any officer, member or agent of the Board of Commissioners of the Authority, the Authority, the City or the State of Minnesota, as such, all such liability being hereby expressly released and waived as a condition of and as a part of the consideration for the execution of this Indenture and the issuance of the Bonds.

Section 13.4 No Benefits to Outside Parties. Nothing in this Indenture, express or implied, is intended or shall be construed to confer upon or to give to any person or corporation, other than the City, the parties hereto and the Holders of the Bonds issued hereunder, any right, remedy or claim under or by reason of this Indenture or covenant, condition or stipulation thereof; and the covenants, stipulations and agreements in this Indenture contained are and shall be for sole and exclusive benefit of the City, the parties hereto, their successors, and the Holders of the Bonds.

Section 13.5 Separability of Indenture Provisions. In case any one or more of the provisions contained in this Indenture or in the Bonds shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Indenture, but this Indenture shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein.

Section 13.6 Execution of Indenture in Counterparts. This Indenture may be simultaneously executed in several counterparts, each of which, when so executed, shall be deemed to be an original, and such counterparts shall together constitute one and the same instrument.

Section 13.7 Headings Not Controlling. The headings of the several Articles and Sections hereof are inserted for the convenience of reference only and shall not control or affect the meaning or construction of any of the provisions hereof.

Section 13.8 Notices etc., to Trustee, Authority and City. Any request, demand, authorization, direction, notice, consent of Bondholders or other document provided or permitted by this Indenture shall be sufficient for any purpose under this Indenture or the Lease, when mailed by first class mail (except as otherwise provided in this Indenture) (with a copy to the other parties) at the following addresses (or such other address as may be provided by any party by notice) and shall be deemed to be effective upon receipt:

To the Trustee:

U.S. Bank National Association
60 Livingston Avenue
Saint Paul, Minnesota 55107-2292
Attn: Corporate Trust Department

To the Authority:

Edina Housing and Redevelopment Authority
Edina City Hall
4801 West 50th Street
Edina, Minnesota 55424
Attn: Executive Director

To the City:

City of Edina
Edina City Hall
4801 West 50th Street
Edina, Minnesota 55424
Attn: City Manager

IN WITNESS WHEREOF, the Edina Housing and Redevelopment Authority , by its Board of Commissioners, has caused this Indenture to be signed in its name by its Chair and Secretary, and U.S. Bank National Association, as Trustee, to evidence its acceptance of the trust hereby created, has caused this Indenture to be signed in its name by an authorized officer of the Trustee, all as of the day and year first above written.

EDINA HOUSING AND REDEVELOPMENT
AUTHORITY

By _____
Chair

Attest _____
Secretary

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By _____
Its _____

STATE OF MINNESOTA)
) ss.
HENNEPIN COUNTY)

This instrument was acknowledged before me on July ___, 2014, by James Hovland, and Ann Swenson, the Chair and Secretary, respectively, of the Edina Housing and Redevelopment Authority, Minnesota, a Minnesota political subdivision, on behalf of the political subdivision.

Notary Public

STATE OF MINNESOTA)
) ss.
RAMSEY COUNTY)

This instrument was acknowledged before me on July ___, 2014, by _____, the Vice President of U.S. Bank National Association, a national banking association, on behalf of such association.

Notary Public

EXHIBIT A

The real property located in Hennepin County, Minnesota described as follows:

EXHIBIT B

DRAW REQUEST NO. _____

PUBLIC PROJECT REVENUE BONDS, SERIES 2014
(ANNUAL APPROPRIATION LEASE OBLIGATIONS)

The undersigned, a duly authorized City Representative pursuant to that certain Trust Indenture (Recreational Facilities), dated as of July 1, 2014 (the "Indenture"), between the Housing and Redevelopment Authority of the City of Edina, Minnesota and U.S. Bank National Association (the "Trustee") hereby requests and directs the Trustee to make the disbursements to the persons and in the amounts set forth below from the Construction Fund pursuant to and in accordance with the provisions of Section 4.4 of the Indenture:

<u>Payee</u>	<u>Purpose of Work Performed</u>	<u>Amount</u>
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The undersigned certifies to the Trustee that each obligation, item of cost or expense mentioned above has been properly incurred, is an item of Project Cost and is a proper charge against the Construction Fund and has not been the basis of any previous withdrawal.

The amount to be paid or which has been paid is correct and accurate and the City has and will maintain in its possession evidence of the same whether by invoice, statement for services or otherwise.

Dated: _____

CITY OF EDINA, MINNESOTA

By: _____
City Representative